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THE BRITISH AM

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FEDERATION A NECESSITY,

ITS

INDUSTRIAL POLICY

ALSO A NECESSITY.

---

BY THE HONORABLE ISAAC BUCHANAN,

PRESIDENT OF THE HAMILTON BOARD OF TRADE,

And lately member in the Canadian Legislative Assembly for Hamilton,  
and President of the Executive Council of Canada.

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HAMILTON:

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"Throwing little matters of politics to the winds (and all other matters with us at present are little politics), why should we not be able to unite in trying to get such arrangements as will preserve British America to Britain, without deeply injuring the people of British America?"

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NOV 19 1923

# THE BRITISH AMERICAN FEDERATION A NECESSITY, ITS INDUSTRIAL POLICY; ALSO A NECESSITY.

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IN retiring from public life, I have no peculiar personal object in issuing this *Brochure*, except as a means of getting my mind rid in a greater degree of public questions with which I have so long been officially connected, and because I am somewhat under the feeling which Dr. Abernethy said had led him to publish his medical *vade mecum*, that he could save himself much verbal repetition by referring people to the particular page of his book. It was indeed with the same view that, sometime ago, I countenanced a gathering by a friend in a volume, "*The Relations of the Industry of Canada with the Mother Country and the United States*," of speeches and writings of mine, and that I went at such length in my retiring address to my constituents into what I know from long experience to be the practical interests of the country. But I find that I have not been understood (not to say misunderstood) in various essential matters, especially that of legal tender paper, which I say is, in our circumstances, absolutely necessary, as the handmaid of our provincial industry, especially now that paper money exists in the United States. And I feel it, therefore, a duty now to give such explanations as that people will approach these vital considerations free from any prejudice of my cre-

ating. I shall have much to explain about the emblematic money proposed, but I may mention here the great fact that its existence in the United States, however unregulated, and ill regulated, is a boon to industry, and creates an ever increasing extent of employment for all classes of the people, which we never can realize here without paper money.

THE particular reason in the present which makes me feel the object of recapitulating these explanations is that I see the British American Colonies, "*at the winning or the losing*," in consequence of an industrial chaos here, the result of the Imperial authorities having thrown open the markets of Britain to the U. S. without stipulating for reciprocity, especially with the colonies contiguous to the United States. I believe that the Provinces of British America have within them the elements of independent greatness and prosperity, but that these can only be reduced from chaos by a certain most energetic policy immediately gone into. Such a policy, I believe, would have the effect of saving to British America the advantages of the continuance of the Reciprocity Treaty with the United States, in the only way this can be done, viz:—By rendering us independent of it. Such a policy would at all events save these North



American Provinces to Britain, while, without a ~~homely and patriotic~~ policy, the loss of them to the Empire will be more than likely, especially if the Reciprocity Treaty with the United States is withdrawn. My great object, therefore, is to impress others with my own strong convictions that it is VITAL THAT THE CANADIAN FARMER SHOULD IMMEDIATELY HAVE IN THE MARKET OF THE MARITIME PROVINCES A SUBSTITUTE FOR THE MARKETS WE MAY LOSE IN THE UNITED STATES, AND THAT IT IS EQUALLY VITAL THAT THE MARITIME PROVINCES SHOULD IMMEDIATELY HAVE IN THE CANADAS A SUBSTITUTE FOR THE TRADE THEY ARE NOW CARRYING ON WITH THE UNITED STATES, UNDER THE RECIPROCITY TREATY.

#### WHAT THE CONFEDERATION MUST BE.

The British American Confederation must be a large and gradually increasing field in America, under British Institutions, in which the greatest and best paid employment for those of Her Majesty's subjects who inhabit it. Like all other northern countries in America, our produce is largely not exportable; we, therefore, cannot turn it into money abroad with which to pay for British home labor; so that the only course left to us is to invite any British labourers who have a difficulty of living at home to come out to us, seeing that, though we have not money abroad to pay them for their labor, we have plenty of food and clothing for them here and other advantages, such as advancement for their families, possessed by very few working men in Britain.

What we want of Britain is, that she shall in no way restrict our Responsible Government, but allow public opinion within this British American field of labor to dictate the policy within its boundaries

which our peculiar circumstances ~~render necessary~~; it being absolutely necessary, to the retention of this country to England, that its inhabitants have as much freedom of action in regard to its industrial interests as the people have in the adjoining United States—and that, in a word, our people here shall have nothing to envy in the material circumstances of this neighboring people, any more than we have in their political institutions.

#### THE INSTRUMENTALITY WHICH I SEE NECESSARY TO CARRY OUT THIS INDEPENDENT POLICY.

The immediate construction of the Intercolonial railway is clearly necessary to our independent policy, whether viewed in an industrial or defensive point of view, being carried out successfully, and I insist that, added to this, the immediate enlargement of the St. Lawrence canals—which would enable the Western States to receive seagoing vessels at their Lake Shores, would secure the continuance of the Reciprocity Treaty,—while nothing short of the combined influence of the immediate construction of the Intercolonial Railway and the enlargement of these interior canals, will effect this great object for the people of British America. I, therefore, to facilitate the construction without delay of these great national works, propose an issue by the Government of legal tender paper money to something like the amount at present required to be kept by the banks in specie—say \$2½ per head of the population—and a large part of my object in these explanations is to show the necessity of paper money—especially now that it exists in the United States, and to satisfy the public of its perfect safety, if limited by the Constitution to \$2½ per head of the

population. EVEN THOUGH SUCH PAPER MONEY WAS NOT WANTED TO AID IN THE CONSTRUCTION OF GREAT NATIONAL WORKS, IT IS WANTED, AS AN INDEPENDENT CURRENCY, WHOSE BASIS CANNOT BE REMOVED FROM THIS COUNTRY, TO GIVE ANY HOPE IN OUR CIRCUMSTANCES OF OUR HAVING AN INDEPENDENT INDUSTRY IN BRITISH AMERICA. And in this connection it may not be inappropriate to give here the following, being the closing words of a late article in *Blackwood's Magazine*, which every one should read and ponder:—

"These, then, are the causes which produce the occasional drains of gold from the Bank, and such are the limits by which these drains are circumscribed. But never—not in a single instance—is gold demanded from the Bank from any loss of faith in its notes. NO ONE DOUBTS THE VALUE OF THE BANK OF ENGLAND'S NOTES, AND THE POWER OF CONVERTING THEM INTO GOLD IS NEVER DESIRED, SAVE AS A MEANS OF PROCURING GOLD FOR EXPORT, BY THE PARTIES AND FOR THE PURPOSES WHICH WE HAVE SPECIFIED. This city of gold is based upon gold,—and the foundation is found to be pre-eminently unstable and perilous. The gold base perpetually oscillates to and fro, and each of its greater oscillations is felt like the shock of an earthquake. It rises and falls, expands and contracts, and sometimes seems to slip away from beneath the city altogether. Then goodly houses go down by the dozen—not because they are ill-built—not from any fault of the architect or occupants, but simply because the foundation on which they all stand has given way. Of late years, these oscillations have become more frequent and more serious; and every ten years or so a convulsion takes place—not of nature, but *by Act of Parliament*—which spreads terror and disaster throughout the Golden City, and paralyses the whole country as effectually as if an earthquake had strewn with ruins the great seats of our national industry.

The merchant and the manufacturer, the shop-keeper and the day-laborer, alike find their trade stopped, and their gains swept away. Suffering and want spread over the land as if there were a famine. There is a paralysis of trade, a dearth of employment; and the hard times are felt by the mill-worker and brick-layer, not less than by the magnates of the trading and commercial world. Is there not something wrong here? Ought the presence or absence of a few millions of gold to make the difference between national prosperity on the one hand, and national disaster and wide-spread suffering on the other? HOW WILL POSTERITY SPEAK OF US WHEN IT SEES THAT WE MADE THE HUGE FABRIC OF OUR NATIONAL INDUSTRY STAND LIKE AN INVERTED PYRAMID, RESTING ON A NARROW APEX FORMED OF A CHAMBERFUL OF YELLOW DROSS? Will they not laugh at our folly, our barbarism? When the usual supply of gold is temporarily diminished, why should our usual credit system be restricted in proportion, or totally suspended? Of what use is credit but to take the place of payments in coin? Was it not for this purpose, and for this alone, that credit and paper money were adopted? Why, then, not make use of our credit system as a means of compensating the temporary absence of gold? Why not tide over the difficulty instead of aggravating it? and so avoid the tremendous suffering which are ever recurrent under our present system of monetary legislation. Suffering thousands and starving myriads signalise each great monetary crisis. Even during the last year, though the crisis of evil has been escaped, the usurious bank rate of 9 or 10 per cent. has swept away the profits of trade into the pockets of bankers and capitalists. Parliament inflicts misery upon the country out of an antiquated deference to some bits of yellow dross. IS THIS WISDOM, IS IT HUMANITY, IS IT CIVILISATION? IT IS BARBARISM AND FOLLY, PREACHED UP BY THE MONEYED INTEREST, THE HIGH PRIESTS OF MAMMON, AT THE EXPENSE OF THE COMMUNITY."

It is no doubt a noble enterprise

to call into existence new and enlarged channels of Government, as we are now doing, but to be able, under these, to secure the object of all Government, the happiness of the people, is a nobler mission still; and if we are to make British America an example of material prosperity nowhere else to be found, I firmly believe it must be by the instrumentality of a well-regulated PAPER MONEY.

I do not think it necessary to dwell on *the necessity of Federation* to save the industry of British America and thus preserve the province to Britain. The threatened repeal of the Reciprocity Treaty with the United States must have settled that question in the minds of all who know anything of the circumstances of America, its traditions, and its proclivities. To me it seems self-evident that now we must either be drifted by Industrial necessity into Annexation, even in the absence of any disloyalty in these provinces, or must find markets for our industry, and an outlet for our trade through means of an intimate and indissoluble union of all the provinces comprising British North America.

But long before there existed that great necessity for federation, which arises from the Americans having given notice of the termination of the Reciprocity Treaty, the necessity of constitutional changes had been forced on the Canadas, the best way perhaps to describe which will be in the words of an explanation which I made to my constituents at the termination of the last session of the Canadian Parliament:

**AGITATORS HAVE MADE POLITICAL CHANGE UNAVOIDABLE IN CANADA.**

[To the Editor of the *Spectator*.]

"HAMILTON, 8th July, 1864.

"SIR,—On my arrival from the

Seat of Government, yesterday, a letter of a Ratepayer was pointed out to me in the *Spectator* of yesterday morning, suggesting that I, as the member for the city, be entertained at a grand Coalition dinner, and giving as reasons for my being entitled to some mark of public favor the following:

"First—That as a member of the Government I co-operated in the present arrangement to get a settlement of our great Provincial Constitutional Question:

"Second—That I have managed to carry through the City Relief Bill:

"Third—That another great measure for which I have long laboured has been carried through: The Insolvency Bill:

"Fourth.—The well known fact that my presence in the Government saved the Tobacco manufacturers from being charged 10 cents on their present large stocks, which would have been a great loss to them all, and utter ruin to many of them.

"And in the *Spectator* of this morning I observe the letter of "Another Reformer" to the same purport, and from which I gather that in the opinion of the writer many of those who opposed me at the election would now join in such a demonstration.

"Now, as without any personal vanity I can have no doubt that, if I desired it, such a Demonstration, less or more unanimous, would be got up, I feel no delicacy in declining it, by anticipation, upon the two grounds.—*firstly*, that there is no occasion to strengthen my hands, seeing that I do not look forward to remain prominent in politics; and *secondly*, that as regards the public politics of the province, this is a time for anxious silence, rather than precipitate demonstration, on the part of electors in our circumstances

who do not desire to disturb the Government till it has had time to mature and bring forward its plan of our political future, while at the same time we are unable to change our opinion of some of the prominent actors, or allow that their present apparently patriotic course entirely atones for their political crimes of the past, any more than an incendiary should be supposed to have had no guilt in setting fire to a house, because he afterwards becomes sufficiently repentant to lend a hand in putting out the fire which he had raised.

"But though I do not wish, by promoting a political demonstration in Hamilton, at present, to commit the citizens to take sides at a time when much harm and no good can flow from their doing so, I am far from not seeing the danger that may arise from public opinion being permitted unintelligently to drift into an unworthy or helpless condition; and I shall therefore avail myself of this opportunity to give my constituents a better knowledge, than some of them have had the opportunity otherwise of acquiring, of our Provincial political position at this important crisis.

"The Canadian Government as it now exists is not a coalition Government such as that of 1854. In 1854 the Conservative Liberals and Liberal Conservatives had come to have scarcely a shade of difference in their opinions, or in their practical objects; that Coalition was therefore the mere adoption of a common name by those whom experience had brought to hold common views, as a means of constituting a compact *party of order* to guard our society against the extreme party composed of Grits and Rouges. In the case of the present Governmental organization, however, the members composing it do not even pre-

tend to agree in anything, except in the Province's having been brought (whoever may have been to blame) into a state which makes Federation the only remedy, and therefore inevitable. The present Governmental contrivance is, in fact, until it gets the sanction of the constituencies of every Minister, "an interregnum" or "a Committee of public safety" or, to express it better perhaps, "A PROVISIONAL MINISTRY IN PEACEFUL CIRCUMSTANCES AND WITH, FOR THE TIME, THE UNDISPUTED POWERS OF AN ORDINARY ADMINISTRATION."—Statesmen in England will try to think differently; they will try to believe that in Canada we have followed their example, and thrown overboard all distinctive principles in regard to the great interests of the Province. They are like the fox, which having unfortunately lost its tail, desired to make the want of tails fashionable. Canada, however, is too young and too poor to afford this even if England (which I very much question) is benefitted by doing so, and the moment the new Federal Constitution is settled, that that moment the members composing the present Government will by necessity be driven to range themselves respectively with the party in the Province whose views of the industrial policy, which is for the best interests of the country, they individually agree with. If the people of British North America do submit to anything else, and permit, as in Canada during the last few years, *the politics of the hustings to be something else than the material interests of the country*, I shall be very much astonished, and shall despair of the future of the United Provinces.

"We do not wish to say anything against the 'Provisional Ministry,' nor do we wish to commit ourselves to its support till we see what it

proposes. At the same time we decline to sign the sentence of our condemnation, by countenancing more than we can help our new assistants in the great work of extinguishing the sectional, religious and personal animosities which have rendered Parliamentary Government impossible. As patriots we do not decline co-operating with any man for a public purpose, but we cannot shut our eyes to the fact that if we admit the untruth that in the past Messrs. Brown and Company have been good, we are in the same breath admitting that we ourselves have been bad.

"After long years of agitation, the game of religious animosity got played out; and every politician of any position in the Province having been abused indiscriminately, every person, reading the perpetual defamation of these public men felt, that it applied as much, or a great deal more, to him than to the devoted heads against which it was fulminated. So that the sole remaining political capital of the Agitators was the question of the Constitution or Representation by Population. THE PERSISTENCE IN THIS CONSTITUTIONAL AGITATION IS WHAT HAS MADE PARLIAMENTARY GOVERNMENT IMPOSSIBLE IN CANADA. This quarrel as to the mere machinery of Government, banished practical or industrial questions from the hustings. *The interests of Canada have ceased to be the politics of Canada.* This has been practically, though *silently*, the case for many years, just as much so as it is now, when particular politics are *publicly* put to one side, and the three new Ministers ask for re-election merely as INSTRUMENTS OF A CHANGE IN THE CONSTITUTION. Legitimate Responsible Government, or Responsible Government under the Canadian Constitution (as embodied in the imperial Act of 1840) has for years

been rendered impossible by Agitators, with Mr. Brown at their head, insisting on raising (for their own selfish electioneering ends so far as we could judge, and was shown by their afterwards either deserting their pretended principle for the sake of office, or sustaining those of their number who did so,) the question of the goodness or suitableness of that Constitution. Their position was simply this—what matters it to discuss the practical interests of the country, in our view of which we know the population will never go with us? To raise the question of the machinery of the Constitution will be much more popular in Upper Canada, on the votes of which we depend, and what is it to us that this will be exactly the measure of its unpopularity in Lower Canada? It was felt by many, like myself, that this Representation by Population which all in Upper Canada desired, if it could be got honorably, and without endangering the union of the Provinces, would come in good time, and that we ought not to be too precipitate about it, seeing that our great object ought to be to carry along with us, as friends, our Lower Canadian fellow subjects, who had long submitted to the present scale of equal representation at a time when Lower Canada was Three Hundred Thousand more in numbers than the population of Upper Canada. Unless by a general agreement, and as the only question at the hustings (as will now be the case when as was announced by the Finance Minister, the new Government will ask for their measure of Federation the sanction of the people at a general election) we felt that it was a most dishonest tricky thing to bring the subject of the Constitution to the Hustings, seeing that however much an elector might object to an unscrupulous candidate

as in his opinion an incendiary, or as holding principles or policy subversive of what the elector believed the interest of the Province, this candidate had the advantage, as the people in Upper Canada were just as sure to answer 'yes' to the question, should not Upper Canada have more votes? as the people in Lower Canada were sure to answer 'no,' both being equally unwilling to see, or to admit that as in Canada there is but one great interest,—*that of the Farmer*,—this is just as well guarded (no one daring to oppose) by one number of Representatives as by another. Mr. Brown however, and his co-agitators had not calculated that the peculiar advantage they expected of the thing would be so greatly lost through all candidates being driven to go for Rep. by Pop.; while the fact, that all, or nearly all, did go for it, was found to have immensely increased the chance of its being a cause of quarrel with Lower Canada and of political trouble, for which no time could be more unfortunate than the present political crisis in the United States.

"It was in these circumstances that through Messrs. Morris and Pope, members of the Assembly, Mr. Brown appealed to the late Government, of which I was a member, to help him to lay the constitutional devil which he had been able to raise, but could not himself lay. His appeal I viewed as a confession that he had less or more done wrong, and I concurred in his proposals being entertained by the Government. These, as may be expected, were a good deal twisted in the manipulation—the Federal Union of the whole of British North America, which is the only practicable arrangement, being at first the prominent feature. I nevertheless approved of, and now uphold as patri-

otic, the late Government's course in insisting that Mr. Brown should enter into the Government, and share the responsibility of the coming constitutional changes. All I regret is that the minority in Lower Canada should have been left the party privilege of not being represented, remembering as I do that the militia Commission miscarried through the minority in Parliament not being represented, and being thus left in a position not to have the power of improving the Report, and in a position to oppose in Parliament what they could not, or would not, have improved if Commissioners.

"It is understood that during the recess, Government will mature its plan of Federalism, and lay it before Parliament at its next meeting. And according to the announcement in the Assembly by Mr. Galt, (to which I have alluded above) the people's opinion on it will be tested by a general election before it is brought forward to be voted upon in Parliament. This, however, would involve the same evils as have been caused by the late constitutional question, or representation by population, having usurped the hustings.

"A Parliament would be elected, not because the members know intimately and represent honestly the great interests of Canada, but because they are in favor, or pretend to be in favor, of constitutional changes. And to do simple justice to the industry or material interests of the country, it would be found absolutely necessary that another general election should occur, after the distraction of the constitutional question has been removed from the hustings. I therefore think that it would be better if the way of getting the people's opinion of Federalism was not by a general election. Looking to the fact that any method

of getting at the public opinion about the constitution, must necessarily be a comparative farce, if mingled with individuality, we must see that a general election is not the proper means to be taken; and I would therefore suggest that the votes of the people, for and against exchanging their present constitution for Federalism, be taken in all the different localities of the Province by a simple vote, and without a general election. This seems the only way to get an unbiased vote, as having no names or individuals mingled with it.

"And if the foregoing is an obvious matter not only of the plainest reason, but of the most absolute necessity, how chaotic and worse than revolutionary, both as regards our constitutional and industrial principles, must have been the effect, in the past, of Mr. Brown's having usurped the hustings for the constitutional question, and to the same extent vitally damaged the country by banishing from its legitimate position at the hustings the question which ought to be the first question in the politics of every

country—the question of the country's material interests? In calculating how the vote with regard to the constitution will go, the main feature will not be the very general opinion that the union of the Canadas has worked very well—has worked far better than could have been anticipated, and will be given up by the most intelligent observers with deep regret—and that, but for the sectional jealousies and mutual distrusts raised by Mr. Brown, the union would have been all that could have been desired. But the main feature will be that, from whatever cause arising, the public mind in Upper Canada has got so drugged that it will never be content until there is a Constitutional Change; but even although that change will be for the worse, and under it the assimilation of the two populations will be slower, while both are less or more injured, yet there is no alternative; that, in a word, *having sown the wind we must reap the whirlwind.*

"Yours faithfully,

"ISAAC BUCHANAN."

I omitted above to say, that I see that it would alone be sufficient argument for the adoption by British America of ~~PAPER~~ MONEY, that by such step the great bulk of our people would be removed more beyond the influence of the calamities which the ever recurring "*Hard Money*" crises occasion in Britain, and, indirectly, in all countries, in the proportion of their trade with her. But in the fact of our friends in the mother country not having their eyes open to the practical patriotism, in regard to their own country, involved in the Monetary Reform which I demand, lies the great danger of their not, *before it is too late*, coming to see its even greater importance in our circumstances. While the matter is not mended by so few among ourselves seeing the necessity of looking beyond the mere form, or Governmental machinery, of the proposed Federation, to its operation industrially—although by this, and by this alone, it must either stand or fall as a permanent organization on this Continent. Sure I am that unless these countries are put into possession of the Industrial liberties which I have desiderated (or, in other words, are not left, as the triumph of the Manchester ideas has left British subjects at home, with *a heritage merely of duties and not of any particular privileges*), they will cease to be British or become depopulated. And unless the most

extended Responsible Government, in regard to our own Industry, and Currency its hand-maid, is now demanded and secured in the Constitution; and if we have before us weary years of political struggle with the British Government, (or rather with class interests in Britain,) on these vital matters; my fear would be that the sad words of the last days of Louis Philippe may come to have to be used in regard to the perpetuation of British rule in America: "It is TOO LATE."

## Mr. Buchanan's Retiring Address to his Constituents.

### TO THE ELECTORS OF HAMILTON.

HAMILTON, 17th Jan., 1866.

GENTLEMEN,—So hopeless, degraded, and anxious are the industrial position and prospects of the Province, in consequence of the unpatriotic theories of labour adopted by British Statesmen of the present day, and in consequence of their determined interference with our Responsible Government, by means of the "*Royal Instructions*," that, as a general rule, men largely connected with our Provincial Industry as I am, and who are above mere personal objects to public life, find it difficult, if not impossible, to leave their own business and undertake the Herculean task of public exposures which their peculiar position necessarily imposes upon them if in the Legislature; and their neglect of which makes their presence in Parliament a positive evil as adding their countenance to a rotten and unpatriotic state of things which they know is slowly but surely undermining the loyalty of the Colonies.

To refer more particularly to myself, and to account for my having now resigned the seat in Parliament which I have for so many years had the honor to hold as your representative, I would just repeat what most of you already know, that I have had no object in being in public life, except as a means of getting the affairs of this city, in which I am so deeply interested, reduced out of the chaos they had got into—which great work has been accomplished in the most complete way, as all must admit, how-

ever little gratitude they may be willing to extend to me in the matter. I would have sent my resignation the moment the City Relief Bill, which I carried through Parliament, got the Royal assent; but the persistence till now in the protest against my election has prevented my having it in my power to do so; so that you must not lay it to my door that for a week or two at the beginning of the coming Session, Hamilton will be without a representative in the Legislative Assembly.

And without further preface, I think I shall best improve the publicity of the occasion by again explaining my practical views on the great question of the day—**FEDERATION**—the chief importance of my opinions arising, as I am aware, from no one having a greater stake in the country, and from no one now in public life having had so long an experience of the Province practically as I have had.

**THE FEDERATION OF BRITISH AMERICA  
MADE AN INDUSTRIAL NECESSITY BY OUR  
UNCERTAIN TENURE OF THE RECIPRO-  
CITY TREATY WITH THE U. S.**

Federation is a necessity as a means of preserving the Canadas to the British Empire—which does not want territory to blight but to bless—because it is a necessity to save the Canadas from remaining immeasurably lower in material industrial advantages and prospects than the United States. It were suicidal to shut our eyes to the obvious fact that the



Free Import Legislation (for it is not *bona fide* two sided Free Trade) which Sir Robert Peel inaugurated in 1846, left the Canadas in so degraded a position industrially, as compared with the United States, that British principles as well as humanity would have revolted at their long remaining *British*—however anxious the population might be to do so—as this would in other words be their remaining *blighted*. To prove the practically dreadful effect on the Canadas of the geometrical, not to say insensate, British Industrial Legislation, alluded to, I quote the following from a speech of Lord Elgin, when Governor General of Canada, in 1854, at the period of his triumph in securing for ten years the Reciprocity Treaty with the United States:—

"Gentlemen, when I last visited the town of London, as was very truly stated in the address which the municipality presented to me yesterday, it was a time of political excitement. But there was one circumstance at that period which was not alone prejudicial to the interests of the country, but was the occasion of solicitude and regret to those anxious to promote its prosperity and best interests. *At that period the bushel of wheat raised on this side of the line was worth one fifth less than the same article raised by the producer on the other side.* I might have been here a day sooner, if I had been able to leave Quebec on Saturday. But I will tell you why I did not leave on Saturday. I was engaged in the afternoon of Saturday in giving the Royal Assent to a bill passed unanimously by the Legislature of Canada, and I must do both branches of the Parliament justice for the unanimity with which they have passed that measure so important to the farmers of Upper Canada (Cheers) I was most anxious to bring into effect that treaty which will do away with such a discrimination again taking place, as regards the farmers of this country. (Great applause.)"

I myself have been in the way of describing the same thing thus:—

"Britain's adopting a system of free imports left the Canadian farmers (on the north bank of the St. Lawrence) only the English market for his produce, in which he has to compete, after paying all freights and expenses across the Atlantic, with wheat of countries where labor and money are not worth one-third what those are in Canada, while it gave to the American farmer (on the south bank of the St. Lawrence) this English market to avail of whenever it suited him, in addition to the American market, from which latter Canadians are excluded."

\* \* \* \* \*

"To take a practical example vital to ourselves of the result of the Free Trade measure in 1846, to which the Manchester School through inflaming the minds of the people of England, drove Sir Robert Peel—(Hear, hear) Take the Niagara River, which is the boundary between the United States and Canada. The lot of 200 acres at the end of the Suspension Bridge on the American side had the advantage of both the American and British Markets, while the lot of 200 acres on the north side in Canada had only the British Markets; the American farmer in a word, got a shilling per bushel (from the American's having an immense home demand from their manufacturing population,) for his wheat more than the Canada farmer could get. As left by the free trade measures of England it was the material interest of Canada to be annexed to the United States. So much for the legislation of the great Sir Robert Peel. (Hear, hear.)"

At another time, I wrote a Brochure, of which the contents were: *Political Economy, or a Free Trade and Hard Money System, the contrary system to that of Empire or even of Country—Sir R. Peel overlooked the great fact of our having Colonies when he proposed Free Trade, Free trade and Colonies being things incompatible with each other—Rapid alienation of the Colonies or deadening of the extremities of the Empire—The sacrifice of the national vitalities of Britain the Empire, no national benefit to Britain the country, but only to illegitimate classes,*

*of middle-men, the true remedies being the decentralization of British manufactures, and the restoration of British patriotism and party Government, by minorities and oppositions, the embodiments of distinctive principles, not mere conspiracies of men, men banded together not by any common principle, but by a common want of all principle in the patriotic sense.*

The brochure alluded to finished with the following words:

"For the last six years, the farmer of Canada has been entirely supported by American money, which he gets under the Reciprocity Treaty with the U. S. Is this I would ask, a position for a British colony to be in? Parties out of America reading this, may ask—why the United States market for wheat is better than the Canadian? I answer, because there is a manufacturing population there. And no more practically loyal politics therefore, were ever held than mine, viz: to attract a manufacturing population, and, as a consequence, that same market for the farmer of Canada amongst ourselves which we value as the peculiar advantage which the United States have over Canada. But for American money however (which in 1846 we had no reason to expect, even if there were now every certainty of the continuance of the Reciprocity Treaty—the channel through which it flows to us) we should have found ourselves as a Colony, in the disastrous circumstances, political and otherwise, pointed out by Lord Cathcart, our then Governor General, in the following Despatch, of 28th January, 1846, to the British Ministry, when it was insanely bent on its Free Trade without Reciprocity Heresy, and by the Legislative Assembly of Upper Canada, in its address to the Queen, of May 12, 1846, of which an extract is below."

*Copy of a Despatch from His Excellency Earl Cathcart, K. C. B., Governor General to the Right Honorable W.E. Gladstone, Secretary of State for the Colonies.*

# GOVERNMENT HOUSE.

Montreal, January 28, 1864.

SIR,—My attention having been very earnestly called, by the members of the Executive Council of this Province, to the apprehensions they have been led to entertain, by discussions which have recently appeared in the English newspapers, pointing strongly to a change in the Corn Laws, I am induced at their earnest desire, even with no better foundation, to bring the subject under your consideration by the mail which leaves this night, as the opportunities for communication at this season are so unfrequent, as to produce inconvenient delays.

The Province of Canada is so vitally interested in the question, that it is a duty of the Executive of the Province to urge on the consideration of Her Majesty's Ministers, a full statement of the necessity of continuing protection to the colonial trade in wheat and flour, and of the effect of any changes by which the protection hitherto given would be taken away.

The improvement of the internal communications by water in Canada, was undertaken on the strength of the advantage of exporting to England our surplus wheat and flour by Quebec. Should no such advantage exist, the revenue of the Province to be derived from the tolls would fail. The means of the Province to pay principal and interest on the debt guaranteed by England would be diminished, and the general prosperity of the Province would be so materially affected as to reduce its revenue derived from commerce, thus rendering it a possible case, that the guarantee given to the public creditors would have to be resorted to by them for the satisfaction of their claims.

The larger portion, nearly all of the surplus produce of Canada, is grown in the Western part of it; and if an enactment similar in principle to the Duties Drawback Law should pass Congress, permitting Canadian Produce to pass through the United States for shipment, and the English market was open to produce shipped from American ports, on as favorable terms as if shipped from Ca-

nadian ports, the larger portion of the exports of Upper Canada would find its way through the canals of the State of New York, instead of those of Canada, rendering the St. Lawrence canals comparatively valueless. The effect of the Duties Drawback Law has been to transfer the purchase of sugar, tea, and many other goods to New York, from whence nearly all of these articles for the supply of Upper Canada are now imported.

Should such a change in the export of Canadian produce take place, it will not only injure the Canadian canal and forwarding trade, but also the shipping interest engaged in carrying these articles from Montreal.

A change in the Corn Law, which would diminish the price the Canadian farmers can now obtain, would greatly affect the consumption of British manufactures in the Province, which must depend on the means of the farmers to pay for them. An increased demand and consumption has been perceptible for the last two years, and is mainly attributable to the flourishing condition of the agricultural population of Upper Canada.

Even if a relaxation of the system of protection to the colonies is to be adopted, it is of infinite consequence that it should not be sudden. The ruin that such a proceeding would cause, is incalculable.

The political consequences to the government of the colony involved in the foregoing suggestions, are sufficiently obvious (*viz*: alienation from the Mother Country, and annexation to our rival and enemy, the United States) as also must be those arising from the trade of Upper Canada, being, as it were transferred from Montreal to New York. This latter consideration belongs, however, less to the operation of the Corn Laws, though partially connected with that branch of the subject.

I trust the importance of these observations will form a sufficient apology for my intruding them upon you at this time; but as the subject to which they refer will, in all probability, engage the early attention of the British Parliament, I have thought it right that you should

have some previous knowledge of the bearing any such measures would have on the interests of this colony.

I have, &c,  
(Signed) CATHCART.

Extract of address of the Legislative Assembly to the Queen, dated 12th May 1864:

"It therefore becomes our duty as faithful subjects of your Majesty, to point out what we sincerely believe must be the result of measures which have for their object the repeal of the laws affording protection to the Canadian export trade. First, it will discourage those at present engaged in agricultural pursuits, from extending their operations, secondly, it will prevent the influx of respectable emigrants from the mother country, who have for many years past settled in large numbers on the waste lands in the Province, and who, by their industry and capital, have materially contributed to that advancement of the country which we have before noticed; and, lastly, it is much to be feared, that should the inhabitants of Canada, from the withdrawal of all protection to their staple products, find that they cannot compete with their neighbours of the United States, in the only market open to them, they will naturally of necessity begin to doubt whether remaining a portion of the British empire will be of that paramount advantage which they have hitherto found it to be. These we humbly submit, are considerations of grave importance, both to your Majesty and to the people of this Province; and we trust we need not assure your Majesty that any changes which would tend in the remotest degree to weaken the ties that have for so many years, and under trying circumstances, bound the people of Canada to that land which they are proud to call their mother country, would be viewed as the greatest misfortune which could befall them."

Having had an intense remembrance of the dreadfully threatening prospects of industry, both in the mother country and the colony, which were the result of the industrial revolution precipitated by Peel, I have always thankfully regarded

the sudden, and *temporarily perfect*, alleviations that then presented themselves as among the most prominent of the many special kind Providences which have from time to time saved the British people. The position of LABOUR IN BRITAIN was redressed, and a revolution from want of employment saved, by the gold discoveries in California and Australia, and a similar service was rendered to LABOUR IN CANADA by what has generally been regarded the *lucky chance* of Lord Elgin's being able to secure the Reciprocity Treaty between Canada and the United States, which latter occurrence has for ten years warded off the Revolutionary consequences in Canada of Peel's legislation—pointed out by the Governor General and House of Assembly of that eventful period. But Canada is now threatened with the loss of this Industrial arrangement with the United States, and the extent to which we are dependent on it is a self-evident condemnation of the blundering legislation Sir Robert Peel, in not at least bargaining that, if American produce was received free in Britain, Canadian produce should have the same freedom of the markets of United States, a thing which had only to have been mentioned at the time to have been acceded to as only simple justice.

And the Federation is thus seen to be of vital importance in securing the connection of the Canadas with Britain, as securing a remunerative market for their produce which can no where else be found except in the United States. IN NO OTHER POINT OF VIEW IS THE FEDERATION OF ANY COMPARATIVE IMPORTANCE TO US.

**BUT FEDERATION WITHOUT A MONEY CAPITAL INCAPABLE OF BEING EXPORTED WILL NOT SUFFICIENTLY ENCOURAGE LOCAL MANUFACTURES SO AS TO FORM A MARKET FOR THE FARMER EQUAL TO THAT WHICH HE COULD FIND IN THE UNITED STATES AS A GREAT MANUFACTURING COUNTRY; ESPECIALLY AS ITS INDUSTRY HAS NOW THE ADDITIONAL ADVANTAGE OF PAPER MONEY.**

A vast deal of dust has been thrown into our eyes on the subject of our

glorious destiny, under Federation, &c., &c. When Mr. Gladstone took the same sentimental line of argument, in 1846, I wrote as follows:—

"Gladstone's administration of Peel's principles, and especially his celebrated despatch to Canada, in which—banishing from his memory all our American experience—he boldly asserted that the Colonial tie was secured by the traditional prejudices of the colonists! —reminds us of the treatment received by a distinguished French traveller who was shipwrecked on the coast of Barbary—to dry up his tears the Barbarians threw dust in his eyes."

And I now feel it all important that we should be alive to the fact that the mere outward form of Federation will do us no good—that the mere adoption of the Skeleton Federation set up by the delegates at Quebec will not attain for us anything practical. THE FEDERATION MUST HAVE AN INDEPENDENT LIFE'S BLOOD FOR ITS INDUSTRY; and it can only have this in the shape of a local or emblematic money, which can be relied on to remain within the Federation as worth nothing abroad. And here it is that we shall find the most disastrous interference with our Provincial responsible Government. The British statesmen will insist, in terms of the Royal instructions now in existence, that we shall have no Money in the Federation, except what is based on gold; or, in other words, that the exportable produce for which gold can be got must be the only basis of the circulation. IT IS FULL TIME THAT SUCH VIEWS SHOULD BE EXPLODED IN REGARD TO SUCH PROVINCES AS THESE, SEEING THAT UNDER THEIR OPERATION, PROSPERITY IS UTTERLY IMPOSSIBLE. Our harvests are very uncertain, and even when we have produce, we have no external market for it at prices at which our people could afford to raise it. And even if it were otherwise, the exports of a country don't amount to more than five per cent of its transactions which require a circulating medium, and if it would suit to base the currency of any country on so narrow a basis as its accumulated gold, (which I have long felt certain is not the

case) it certainly cannot do so in a country like this which has little or no accumulation and never can have much.

We shall be attempted to be laughed down. It will be held up as an offence to Science, that we should insist on so homely a view as that the less money (or metal) capital a country has, the more it wants a circulation based upon its industry and fixed capital which lie around in such superfluity for use at home, though they cannot, unfortunately, be sold abroad. And what my unhappy anticipation is (although I should be delighted to find myself wrong in this,) that Provincial Responsible Government will be betrayed by such men as George Brown, partly from not being practical men enough to know the crime they are committing against their country's industry, and partly through their personal object being to stand well with the statesmen of the mother country. Though Lord Elgin knew the critical position of Canada under Peel's measure, he remained, because it served his own personal interests, the same pretended admirer of British statesmen, whom he knew to be mere political Robespierres. "*Perissent les Colonies plutôt qu'un principe.*" It is not, therefore, I fear, so unlikely that these British statesmen will find many willing tools in Mr. Brown and other politicians, with personal objects, who have made a living in the past by vilifying the old Reformers, by whom Responsible Government was secured to the Province, and who would deprecate in the strongest manner the baseness of those who would be its betrayers:

"Come the eleventh plague, rather than this should be  
 "Come sink us rather in the sea,  
 "Come rather pestilence, and reap us down,  
 "Come God's sword rather than our own.  
 "Let rather Romon come again,  
 "Or Saxon, Norman, or the Dane;  
 "In all the bonds we ever bore,  
 "We grieved, we sighed, we wept; we never blushed before."

Instead of being bullied out of what we know to be the only course to secure the prosperity of the country and its loyalty, let us make up our minds and, come what will, carry out our decision, that the time is propitious to commence a public Bank of Issue (thus making uniform the circulation) at the commencement of the Confederation of British

North America. We might do so in a way to benefit incalculably every interest in the Confederation, and at the same time save the people the additional taxes involved in the building of the Intercolonial Railway. This Railway is now imperatively demanded, as I have shown not only as a military work, but as an industrial necessity, to enable Canada to secure an outlet for its produce, which has hitherto gone to the United States, under the Reciprocity Treaty. To prevent the indefinite depreciation, there has to be a well understood restriction in the issue of paper money. Now, supposing that an arrangement is made with our Banks, that gradually their circulation should be withdrawn, (and it may be done very gradually,) all we should have to do would be to CONDESCEND UPON A PRINCIPLE OF RESTRICTION in authorising the government to issue legal-tender paper money, which would be eventually the only paper currency in the Confederation. I formerly proposed that the Constitutional Law should reassert the people's rights to coin paper equally with metal, but that the issue of such should be by the constitution limited to two dollars and a half per head of the population, unless the powers of the Banks to issue were abandoned by them, and to five dollars a head, if there was to be no other paper currency in existence in the country.

Now, why not adopt the principle above set forth, of reasserting for the public the above Prerogative of coining paper as well as metal, while at the same time introducing a restrictive principle in regard to the amount per head of the population that could be legally issued of a commodity that has not in itself intrinsic value? By doing so, in one of the ways explained in the foregoing paragraph, a great advantage would be obtained by the people in the introduction of the principle of legal tender paper-money, and also a saving of taxes either to the extent of the interest on the amount which two dollars and a half per head of the population would give, say ten million of dollars, or to the larger extent of the interest on the amount which five dollars per head would give,

say twenty millions of dollars of legal tender paper money, amounts which would either build, or secure the building of the Intercolonial Railroad, and secure the enlargement of the St. Lawrence and Welland Canals, so as to make Lake Superior and all the Inland Seas east of it arms of the Atlantic Ocean. Such would be my plan of showing the Northern States the advantage to them of their insisting that the Reciprocity Treaty be perpetuated.

**THE QUESTION AS TO THE VOTE OF THE PEOPLE BEING TAKEN ON FEDERATION.**

After all I have seen, I hold the same opinion as when I first thought on this subject, when Federation was first proposed six months ago. I feel that a correct vote on a Constitutional question cannot be got through a General Elec-

tion; but I think a short act of Parliament should be passed enabling the people to record their votes, the result of which to be conveyed through His Excellency the Governor General to the Imperial Government, to help to guide them in their decision. I think such a Bill should be passed before the vote in Parliament is taken, seeing that although the question should fail in any particular Local Parliament, such failure ought not to be fatal to it in the eyes of the Imperial Government, if there was shewn to be an overwhelming majority of the whole people in its favor.

And with every good wish for you individually and collectively,

I am, gentlemen,

Yours faithfully,

ISAAC BUCHANAN.

Hamilton, Jan. 17, 1865.

**Explanatory of Mr. Buchanan's Views in Regard to the Industrial Policy which is the Necessity par Excellence of the British American Federation.**

[To the Editor of the Quebec Daily News.]

HAMILTON, 27th Jan, 1865.

DEAR SIR,—I have received your number of the 25th, in which you review my address to my constituents on resigning my seat as representative of Hamilton. You say, it is a review of the policy of the Government, and to this statement I have no objections, nor would I have objected had you characterised it as a protest against the soundness of British Industrial policy ~~and~~ whole, or what the Sheffield politicians, (at whose instance the Duke of Newcastle, but for Mr. Galt's firmness, would have interfered with our Provincial Responsible Government) called *the principles of the Empire*.

THE VIEWS YOU EXPRESS NOT THOSE OF THE MINISTERS GENERALLY.

To the extent that what you say, is in my opinion fatal to the inception practically, in the British American Federation, of all patri-

otic element, I am anxious to combat the deleterious effect of your remarks. Let me then explain that you narrow, and to some extent (no doubt unintentionally) misrepresent my views and objects. It was what I knew of the practical ignorance of the Government that impelled me to avail myself of the Imperial opportunity (as you call it) to state my personal knowledge (for it is no matter of opinion) that the industry of Canada could not be much more hopelessly placed than it is, and that the Federation must have the same cruel experience if our present heartless theories of labour are introduced into it. And the correctness of my opinion of the Government's wrong views could not be better proved than by the subsequent fact that they put into the mouth of His Excellency the Governor General at the opening of Parliament the following gross misstatement on the subject of our Provincial prosperity—prosperity being a thing that does not

exist in Canada at the present moment, and being a thing for the supposition of which there is no excuse whatever :

"In calling you together to resume the performance of your constitutional duties, I desire to express my thankfulness to a beneficent Providence, that I am enabled to congratulate you on the general prosperity, &c., &c."

The blunder committed by the Government arises from the very heresy on the part of political economists, for which I am at unity with them,—viz—that INCREASE OF EXPORTS MEANS INCREASED PROSPERITY, while the truth is, these may mean, and in our circumstances, and the circumstances of every country in North America, they always mean exactly the contrary; our country and these countries having no exports at all adequate to pay for the smallest possible imports. Now as a particle of proof has not been adduced, and cannot be adduced, that the adoption of the name of Federalism will of itself materially benefit the country, the following words in which you finish your article, don't stand for much :

"If Federation collect the energy of the people and give it direction; if it organizes sources of enterprise, whether agricultural or commercial; if by the unity it will effect, it gives more concentration of effort, and more vigor from that concentration; if it, as it is proposed, shape our present and our future to a destiny we could never attain while divided, and give us a constitution more fitted to our progressive state than the one we have outlived, and which we have tried and found wanting when the exigency of our present position pressed on us, then federation can not be a thing of mere outward form, an inanimate theory requiring to be vitalized with emblematic money."

Messrs. Galt and Brown's views are just as near the mark in saying that the federation means prosperity, as the Emperor of the French was in saying that the Empire meant peace. In both cases it is an instance of *vox et preterea nihil*. Now what I say is that the question of forms of government, or any constitutional question whatever, is of no comparative importance with the question of the belly, or the employment of our own people; and, indeed, are only of importance as instruments of the people's industrial welfare and fecundity. And in regard to the federation of British America, I say that all that has been suggested by the delegates would amount to no more than the altar without the sacrifice and the fire from heaven. I begin to think that in calling it the Skeleton Federation, I was too complimentary, for to judge by what your article indicates it will be apt to have a good deal of old industrial prejudice or

corruption remaining to hamper its young vitality.

#### MY MACHINERY OF INDEPENDENT AND NATIONAL PROSPERITY UNDER THE FEDERATION.

The instrument of Industrial prosperity which I see necessary now, and which would be equally necessary in the Federation, is an enlarged and locally independent instrument of exchanging commodities. I say that we have no choice—that the only instrument to facilitate the exchange of the labor of a people in our circumstances (as comparatively without exportable produce and markets) must be a money emblematic of industry. Whereupon you remark that an "Emblem" means a nothing. I would reply—that our money will pay a man's debt. Is that nothing? If the currency is "shadowy," would the Intercolonial Railway when built by it be a shadow? You say :

"The property of the Government are the taxes, and if it issue a currency in excess of this it will become depreciated."

I quite agree that the issue by the Government should not exceed the taxes, and have no objection that it should be to the exact amount of these. My proposal was only \$2½ per head of the population. And you compare it with the American issue, which is \$30 per head. You say :

"We want no money except what is required by industry and legitimate enterprise; no currency except what is represented by tangible available wealth. All other is delusive."

Now, I have shown above two very practical purposes: *The payment of debt and the creation of the Intercolonial Railway*—to which this delusive currency may be applied. For my part, I cannot see how industry and enterprise can acquire that which does not exist. And I see clearly that though the labour of the country is the true wealth of the country, it cannot, under our present "hard money" system, be represented, because, as you say, it is not "tangible." Now, under our present system, how are we to get the wealth (gold) necessary by law as a basis of the currency? We can only get it to the extent of our exportable produce, for which we can find a market. And, at best, in any country the exportable produce is not over five per cent of the transactions in a country whose being exchanged or sold depends on the presence in the country of a circulating medium. At present this Province is even worse off than this, for, after three bad harvests, we have little or no produce to export and no market for that little. In this state of things (and able to call into existence very little money through the sale of exportable produce,) we have only as an instrument of pay-

people in the Provinces bank notes to the extent of about Eight millions of dollars, while the country owes the banks Forty-five millions of dollars. Is this, let me ask, a currency sufficient, either looking to the interests of the banks or the country? It is clear that though the Canadas are teeming with industrial, internal and mineral resources, a bankruptcy, of what the law declares to be money, exists—and there was, therefore, no justification for the clause referred to in the Speech from the Throne, unless the Governor General was prepared to propose (what we know the Royal instructions prevent him doing,) that a money representative of these be created—thus enabling the people who are in the possession of these to pay their debts—a state of things which is alone worthy of the term PROSPERITY.

MY ARGUMENT NOT AFFECTED BY PAPER MONEY  
BEING SECURED IN THE MOST PERFECT WAY.

But I am too old at the subject of money to allow myself to be stopped by the question of the security of my proposed paper money, as you attempt to do when you say: "Public confidence never yet was created and sustained in the absence of material guarantees." You may demand what security you will; ALL I WANT IS THAT THE MONEY BE EMBLEMATIC SO AS TO BE INCAPABLE OF BEING REMOVED FROM THE COUNTRY. If you think the Intercolonial Railway, and the St. Lawrence canals, backed by the guarantee of the Government, and the great fact that the Government paper will pay debts are not security enough, I have no objections that that which I see to be the one thing useful industrially (the attainment of paper money a legal tender to an extent to substitute the specie in the Banks' vaults and prevent a traffic in the legal life's blood of our trade) should be attained by making the notes of our Chartered Banks a legal tender to the extent they hold gold. I demand an Emblematic legal Tender, but I have no objections that it should be secured by property, personal or real, or both, worth a hundred times as much. In any case the restriction of the issue is what will dictate the limit of the depreciation—and THE PERMANENCY OF THE CIRCULATION WILL MEASURE ITS VALUE TO THE INDUSTRY OF THE COUNTRY. It could easily be arranged that the Banks among them should gradually accumulate specie equal to \$2½ per head of the population.

As England is a country which is in possession of plenty of gold, and through its extended export trade, can easily get more, I have always advocated that there the legal tender paper should be Bank of England notes, this Bank's notes being made a legal tender to the extent it holds gold, and the Bank of England being bound never to hold less in its vaults than a certain amount (and a gradually increasing amount) of gold. This is the best proof that you were wrong in supposing that I would not rather have the restriction of the issue secured, if we could, by something tangible. After all, however, I know that the virtue or safeguard against indefinite depreciation chiefly lies in the issue being definite or restricted. The security of restriction once achieved, (and it should, if possible, be secured in the Constitution,) I have always seen that no harm could flow from any other security being superadded; and I have been complimented by the most bitter political economists or Hard money men, as having presented the case of Paper money in a stronger way than ever had been done before, just because I had no objections to its also having a material security knowing that, as an instrument of patriotic philanthropy, a paper money secured by gold would be equally efficacious, and more so to the extent this gave it more the confidence of the public.

Before leaving the subject of paper money, I desire to make an explanation, in regard to the absurdly depreciated paper money of the United States in reply to your quasi sneer as to the warning we may take from this. *The experience of the United States confirms me in my confidence in paper money.* But for necessity causing the adoption of emblematic money by the Americans (for there was not a particle of independence or intelligence in the step) there would have been distress in the United States such as the world never has witnessed, and if the Americans are so ignorant as ever to go back to "hard money" the same dreadful consequences will be the result; I have no doubt, however, that, taught by experience, they will retain



"paper money" and value it as their finest, as most patriotic, institution, and as of itself ample remuneration to American industry for all the blood and treasure spent in the war. In the excessive issues of paper money in the United States, I see no more argument against paper money than there would be against eating bread in moderation, because some man had injured himself by eating too much of this good thing. And when on this subject I would state my firm conviction that it is not the excessive issues of Greenbacks to which much of the depreciation of these as compared to gold is owing. I have all along seen that there is a cause for the *appreciation of the gold*, altogether apart from the *depreciation of the paper money*. Even after stopping specie payments, and in direct contradiction of that necessary and wholesome measure, the Americans by the most ignorant legislation decreed that "the customs" should be paid in gold, and that certain interest of public debt should be paid in gold. The Government and Legislature thus caused a *never-ending run for gold* on the people, as great as if every man holding such public stock was an enemy, and from animosity ran the Government for gold. This causes practically a demand each year for more gold than exists in the United States! Now, suppose that a similar additional demand had been created for *wheat*, the wheat would certainly have risen as greatly; but no one would have said, the money had depreciated; they would have said the wheat had appreciated under the simple law of supply and demand. So far back as the panic of 1837, being in New York, I pointed out PAPER MONEY as the only safeguard against the evils of over importations of foreign labour, with which the United States were periodically cursed. To this it was objected that the Revenue would be reduced through being collected in a less or more depreciated paper money. My reply was, that I would collect the Custom's Duties as *Gold*; and I believe this was the first time ever Gold Duties were mentioned in the United States. But

*after having stopped specie payments!* I never could have intended, *literally*, to demand the Gold. All I meant was, that as much more paper currency would be due for Custom's Duties as the Gold had advanced in price,—thus securing that the *same* amount of duties as measured in Gold would be collected. But the Americans, in their ignorance, actually demanded the article, *Gold*, and still continue to do so! having promised payment of *interest* in Gold, instead of *at the rate of Gold*. But for this dreadful blunder, I do not believe Gold would ever have risen—except to keep pace with the rise which the withdrawal of money from the country caused in the *premium* of foreign exchange. This would probably never have exceeded 30 (thirty) per cent., and that only for a very short time—for there never was any considerable want of confidence among Americans themselves in the stability of the Institutions of the United States under any circumstances. I have always seen that looking to the greater value of money in America than in Britain, the coin both here and in the United States should have been valued Ten per cent. higher; and I feel confident that with a *legal tender paper money* restricted to \$2 50 per head of the population, the rise would, either here or in the United States, be no more than is natural,—or as water in a pipe rises to its *level*. Nor have I the least doubt that if the Americans were to demand no more gold for Custom's Duties, but take the increased price in currency in payment, and pay the public creditor in same way, the price of gold (as there would be no use for it,) would go down gradually—say to considerable under 50. All private credit having merged into public credit or paper money, and prices of commodities being so much higher, while so much paper money is wanted for the war, it is evident that *many times as much currency* is now wanted; and I believe that Greenbacks are not in over issue, and have not materially raised the price of gold by the extent of their issue.\*

\*I have been asked what I would have the Americans to do in their circumstances! My answer is, that if I were Sec'y of the Treasury of U. S. I would institute an *Interest Stan-*

If further proof were wanted of my sincerity in insisting on *paper* money in every country, but especially in one like this which has no money *metal* capital that bears any proportion to fixed property and its undeveloped stock of native labour, it might be found in my having so often declared my being aware that in the advocacy of a reform so revolutionary, or rather counter-revolutionary, I must necessarily, for the time, be held to be a fool by both sides—both by those who don't know that the thing itself is not folly, and by those who know this, but shrink from being thought fools by admitting it, seeing that it is obvious that the world must either call themselves fools or you a fool, until prepared publicly to approve of what they at present appear at least to regard as impracticable or foolish.

"Not only an opinion which all the world rejects, (says Vinet, in his *Folly of the Truth*) but a hope which no one shares, or a plan with which no one associates himself, brings the charge of folly before the multitude, against the rash man who has conceived it, and who cherishes it. His opinion may seem just, and his aim reasonable; he is a fool only for wishing to realize it. His folly lies in believing possible what all the world esteems impossible. \* \* \*

"Many reason upon this subject as if nothing had happened since the day when God, looking upon his work, saw that what he had made was good. They speak of truth as if its condition amongst us were always the same. They love to represent it, enveloping and accompanying humanity, as the atmosphere envelopes and accompanies our earth in its journey

through the heavens. But it is not so; truth is not attached to our mind, as the atmosphere to the globe we inhabit. Truth is a suppliant, who, standing before the threshold, is for ever pressing towards the hearth, from which sin has banished it. As we pass and re-pass before that door, which it never quits, that majestic and mournful figure fixes for a moment our distracted attention. Each time it awakens in our memory I know not what dim recollections of order, glory and happiness; but we pass, and the impression vanishes. We have not been able entirely to repudiate the truth, we still retain some unconnected fragments of it; what of its light our enfeebled eye can bear, what of it is proportioned to our condition. The rest we reject or disfigure, so as to render it difficult of recognition while we retain,—which is one of our misfortunes,—the names of things we no longer possess. Moral and social truth is like one of those monumental inscriptions (level with the ground) over which the whole community pass as they go to their business, and which every day become more and more defaced; until some friendly chisel is applied to deepen the lines in that worn-out stone, so that every one is forced to perceive and to read it. THAT CHISEL IS IN THE HANDS OF A SMALL NUMBER OF MEN, WHO PERSEVERINGLY REMAIN PROSTRATE BEFORE THAT ANCIENT INSCRIPTION, AT THE RISK OF BEING DASHED UPON THE PAVEMENT, AND TRAMPLED UNDER THE HEEDLESS FEET OF THE PASSERS-BY; in other words, this truth dropped into oblivion, that duty fallen into disuse, finds a witness in the person of some man who has not believed that

dard. Are Greenbacks to be considered in over issue? I should say not, if they will not be parted with for (or are worth more interest than) Government stock paying interest in currency equivalent to 6 per cent in gold. And if the people do not chuse to take such stock at par, (or the market price if above par,) I would continue issuing Greenbacks until they do so. That there may be no mistake as to what I mean by par, I would explain that when Gold is at 100 per cent premium and 6 per cent Gold Stock at par, the claimant on the Government would have his choice either of half the amount in Stock or the whole amount in Greenbacks. I would, however, accompany this by giving up (in whatever way this could be arranged,) the paying interest otherwise than in currency at the rate of gold, and the collecting of duties otherwise than in the same way. The holders of the Bonds would all agree; but if they did not, I would decline continuing to sacrifice the people and endanger the public peace by permitting the continuation of this senseless traffic in the life's blood of the country's industry. *In Extremis*, people don't mind so much about law; and it will be well if the American conscience is never stretched farther than to hold that paying currency at the market price of Gold is identical with paying the Gold itself, with parties "*In Extremis*."—ISAAC BUCHANAN.

all the world are right, simply and solely because it is *all* the world.

"The strange things which that strange man says, and which some others repeat after him, will not fail to be believed sooner or later, and FINALLY BECOME THE UNIVERSAL OPINION. And why? Because truth is truth; because it corresponds to everything, satisfies every thing? because, both in general and in detail, it is better adapted to us than error; because, bound up by the most intimate relations, with all the order in the universe, it has, in our interests and wants, a thousand involuntary advocates? BECAUSE EVERY THING DEMANDS IT, EVERY THING CRIES AFTER IT, BECAUSE ERROR EXHAUSTS AND DEGRADES ITSELF; BECAUSE FALSEHOOD, WHICH, AT FIRST APPEARED TO BENEFIT ALL, HAS ENDED BY INJURING ALL; so that truth sits down in its place, vacant as it were, for the want of a suitable heir. Enemies concur with friends, obstacles with means, to the production of that unexpected result. Combinations, of which it is impossible to give account, and of which God only has the secret, secure that victory. But conscience is not a stranger here; for there is within us, whatever we do, a witness to the truth, a witness timid and slow, but which a superior force *drags* from its retreat, and at last compels to speak. It is thus that TRUTHS, THE MOST COMBATED, AND, AT FIRST, SUSTAINED BY ORGANS THE MOST DESPISED, END BY BECOMING IN THEIR TURN, POPULAR CONVICTIONS.

"This, however, does not prevent all such truths from being combated, and their first witnesses from passing for madmen. At the head of each of those movements which have promoted the elevation of the human race, what do you see? In the estimation of the world, MADMEN. And the contempt they have attracted by their folly has always been proportionate to the grandeur of their enterprise, and the generosity of their intentions. The true heroes of humanity have always been crowned by that insulting epithet."

I shall however hereafter, if not at present, draw some consolation from the reflection that I was perhaps the very first person on either side of the Atlantic,

who had the hardihood to proclaim in unmistakable terms, that a country's legislation should have in view its industrious classes or producers *alone*, seeing that the fact that the other classes are above the necessity of labour, shows that they can take care of themselves. The Cobden-Peel heresy was that *consumers alone* should be legislated for; but the knowledge is beginning to dawn on minds open to honest conviction, (if they only dared to express it to themselves and others) that what we have been in the way of calling the interest of the country, is *only the interest of the Government*, and is often the ruin of the working classes; whereas, *that which is for the interest of the working classes, can never be the ruin of a country*; so that I live in hope that my view will be seen to be the only philosophical one, that our rule should be to make sure of the well-being of our *producers*, as the first object in the politics of every country, — seeing that *producers* form the great bulk of the *consumers*, and that it is as producers their *greater* interest lies; seeing that in fact THEIR PRODUCTION MUST BE MORE THAN THEIR CONSUMPTION, OTHERWISE IT WOULD BE UNPROFITABLE, AND NO ONE COULD AFFORD TO EMPLOY THEIR LABOUR.

I might, at this point, perhaps, leave the subject of PAPER MONEY, with the satisfied feeling that I had done my duty in explaining the nature of it as the instrument the use of which I think is indispensable to that amount of prosperity the presence of which, in the Federation, will be necessary, alongside as we are of a country in which industry receives a sure and generous reward. And knowing that your (the *Quebec Daily News*) feeling is friendly to me, and that you mean no disrespect, I would not seriously regard your quiet sneer that to Mr. Gladstone and the other immediate followers of Sir Robert Peel may be left the answer to my attacks on the departed statesman's policy. But you do not believe they will condescend to answer; and neither do I. The public, they believe, could not be better drugged or made more deluded than they are in regard to Peel and his Modern Politicians.

Economy; no discussion could do no good. It might do harm, dispelling part of the delusion. Now I am happy in knowing that in the minds of vast numbers, and among them some of the Chief Financial minds in Britain, France and America, the delusion has long been gradually dispelled. Such men are satisfied that of a sudden (and no saying how soon) the whole heartless conspiracy will be exposed and forever exploded, of the men of money, of which Peel was the instrument, against the men of property and labour. I myself am willing to believe that Peel's being the instrument was from his being himself deceived, as being one of those minds that cannot understand so deep a *juggle*, or see that though a sovereign is a pound, this is only because the law has made it so! This will be easily comprehended by those who reflect how few men, even after the Financial juggle called "Hard Money" has been enacted for half a century, have had their eyes open to it, although, as a proposition, it is more barefaced than the old "*Grimaldi*," "Heads I win, Tails you lose!" I think that in the fact that Peel could never be brought to see the distinction between money and commodities as to whose production the Legislature imposes no arbitrary limit, there is justification enough of what I say in palliation of his course. Proof that Peel was a defender, nay an admirer, of direct and unblushing Usury, as well as of that worse, because more insidious, Usury achieved by the men of money by means of his Free Trade measure which secured them MORE LABOUR FOR LESS MONEY, is found every where in his speeches; I take the following from the speech which he delivered in the debate on Commercial Distress, 30th November, 1847:—

"Some hon. gentlemen, from whom I could have hoped better things, say commerce cannot be conducted if we are to pay 10 per cent. for interest; and Government is blamed because people are compelled to pay 10 per cent. Why, what right has any man to pay for money more than money is worth. If money is worth 10 per cent. it will be asked, what law can prohibit such a rate of interest?"

\* I answer that the cause of this high rate of interest was "the Hard Money Theory," or the existence of Peel's own Law which compelled the Bank of England to part with, at a low attractive price to foreigners the Gold the presence of which Legislation had made necessary as a basis of the Bank note circulation, thus reducing the superstructure of Bank Notes out. To make money scarce is of course to make it dear. "A tree is known by its fruit, and the first fruit of "the Hard Money system" was Usury, if, indeed, Usury was not (as many suppose) the object for which it was invented at first, as certainly this was the object for which it was resurrectionized, and is still used, by the designing class who made use of Peel and his great name. Pliny says: "*Fenus hoc fecit ei nummus percussus*"—"Usury did this and coined money." And the legislation of Sir Robert Peel and Mr. Jones Loyd tends to realize exactly the same injustice and ruin from extortion and Usury as caused the downfall of Rome.—The cool calculation either on the want of reflection or of all independence on the part of his audience, (if it was not evidence of want of reflection on his own part.) is made very apparent by his question:—*What law can prohibit such a rate of interest?* Until within a few years, the law in England had prohibited more than 5 per cent. interest! It was only the 2 and 3 Vic., chap. 37, that enacted that Bills not having more than twelve months to run were not to be affected by the Usury Law. In fact the circumstance that, at the period of the currency discussions, 1810 to 1819, money as a matter of interest was by law priced, was what alone enabled the men of money to succeed in getting gold priced by law. What will you do then? (said a remarkable pamphlet published in 1847, soon after Peel's speech, on Parliament being called together at an unusual period of the year in consequence of the Financial Distress.) The worst may not yet be past; and certainly is not so, should a demand for bullion similar to that of this year be early renewed. An immediate revival of the Bank restriction Act, or a scale of commercial and political confusion far surpassing anything that has yet occurred, must in that event ensue. And suppose it should be otherwise; what may yet be the sequel of the money panic of 1847? Are its consequences confined to the losses of the fallen houses? We fear this impression is too general. What proportion can these bear to the aggregate of those losses sustained by houses which stand, many and perhaps the larger of them, on the very brink of the precipice; over which, too, they must yet fall, indeed, are falling weekly; and from which nothing can save them; short of the restoration of their capital—(not property, of which they still may hold as much as at any time)—their working capital which has evaporated in the falling market price of their stock in trade." It is, however, obvious that with the new Element—Free Trade—which gives foreigners a claim

In passing I would just say that no one can object to pay 10 per cent. in a time of prosperity, or as a mere deduction from his profits, or a means of making them more, but when scarcity is the cause of money being dear, business is unprofitable, and paying 10 per cent. means ruin; everything therefore that law can do should be done to prevent its being scarce, from any violation of the law of supply and demand, or any arbitrary limit to the circulation imposed by the Legislature, not absolutely necessary as the security of the Bank note. If the export of specie is the cause of scarcity of money, (as was the cause in 1847) this should, as it certainly could be by the adoption of paper money, be prevented from hereafter being a cause.

But, as the whole object of my writings has always been to lead other men's minds to the particular subject, attention to which I see at the moment to be vital, I feel that it will be better for me, before leaving the subject, to make such explanation as will furnish sufficient justification of the long held aversion with which I have regarded the British Political Economists and their heartless philosophy, OF HARD MONEY THEORY.

Now it is not only as regards colonial labour, but as regards the labour of the mother country that British statesmen have adopted the most practically unpatriotic principles, for they do not pretend to owe more allegiance to BRITISH INDUSTRY (WHICH SHOULD BE THEIR POLITICAL MASTER) THAN THEY DO TO THE FOREIGN LABOURER. On the throne of Patriotism they have set up Political Economy! Perhaps however we should be nearer the truth if we held that in England there never was, among her legislators, any more than the *pretence* of devotion to the interests of the British Masses simply as a means of securing their votes! The success of the American Revolution shewed them, that no government could exist that had not the hearts of the people,

and the subsequent troubles in France made this still more clear. But they took the same line, *as we have seen the most unworthy politicians in Canada take*, —to prove themselves *pure*, they cried out against an imaginary *Corruption!* But as in the one case so in the other, it was all mere hollow words. The public men in Britain, instead of honestly associating the Government with the people in their interests, *humbugged* (to use an unmis- takeable word,) both the Crown and the People. That the interests of *Industry* should be secured was no doubt the interest of the Crown, because its safety, but this would not suit the British statesmen as representatives of the men of *money*. They knew that WELL PAID LABOUR is a convertible term for CHEAP MONEY. They therefore introduced a contrivance which blinded both the Crown and people. At Cambridge they had learned that "*things which are equal to the same thing, are equal to one another*, and they taught this lesson both to the Crown and the People. Their object of course was to conceal the actual natural *oneness* of interests between the Crown and the People, and to make it appear that their tie to each other lay in the common interest which both had in Political Economy! They had to use considerable *sleight-of-hand*, but the *juggle* succeeded admirably.

"Indeed the pleasure seemed as great  
Of being cheated as to cheat.  
As lookers on feel most delight:  
That least perceive the juggler's sleight;  
And still the less they understand,  
The more they admire his sleight-of-hand!"

They accordingly set up this thing called Political Economy, and succeeded in convincing the people that it was PATRIOTISM they were called upon to worship! Political Economy (said they) is the people's interest. Political Economy also they averred to be the Crown's interest. And so, by the easiest *Geometrical* process, the interests of the Crown

for the precious metals, the evils and losses here described would last year (1864) have been greater had the Usury Law not been repealed. If no more than 5 per cent. could have been taken, money would have been scarcer than if 9 per cent. could be taken by the Bank of England, as was the case. But the fact that it is only under a system of Paper Money<sup>1</sup> (or a system in which the exportation of gold does not cause the scarcity of money) that the Usury Law can be re-enacted, will eventually find Paper Money many advocates among those who themselves have been ruined by Usury, or who have seen their neighbors so ruined.—ISAAC BUCHANAN.

and the People were *proved* identical, as being both identical with Political Economy! But the great popular condition was never fulfilled, of money being *permitted* to become cheap, seeing that this was the convertible term for labour being made dear, or employment fairly remunerated. Nevertheless the public of the former day seem never to have reflected that the Political Economists, or men of money, could not have been expected to make their own article, money, *cheap*. And though in the present the mark of Cain on the forehead of Free Trade, is that money has been made to cost greatly more since the Free Trade Era, the Public seem not to suspect that this also is a natural consequence, and was foreseen by the political economists! No doubt the mode of imposing "Hard Money" upon the country, after paper had existed from 1797 downwards, was the most bold and bare-faced juggle ever perpetrated upon a gaping audience. In the first place, they made money and gold at a low raw material price synonymous! They trusted that the intelligent public would not understand the distinction between price and value! They did not attempt the impossibility of giving a value by law; all they could do was to make them the same *price* by law.

Having fixed Gold *cheap*, they made the public believe they had made money *cheap*, although it was quite the contrary! Money increased its purchasing power, seeing that all commodities (and as a consequence the labor involved in these) fell to a level with gold. So that though the rich men's article, Gold, was by statute *cheap*, it was a synonyme of money which the same process had made *dear*! No jugglery was ever so refined as this, and none ever so successful, and so long of being *seen through*. By giving their article a double character, it was Gold when it suited them, and Money when it suited them! But what really did these men of money succeed in? They succeeded in violating the Law of Supply and Demand in regard to the commodity, Gold. If they had not succeeded in this, they and their class were undone, for the following reasons:—

1st. Without this violation of the law of supply and demand in regard to gold, they knew that the article gold would have risen in price, thus making their money worth the less Gold! \*

2nd. By this violation of the law of supply and demand in regard to gold, they practically affected the violation in their own favor of the Law of Supply and Demand in regard to all other

\* Still, if Gold comes to be discovered in such quantities as to fall in price, below the raw material price fixed by them, these conscientious gentlemen will never hesitate to attempt to unfix the price, on the plea that (it might be argued, with unanswerable force by any mouths but theirs) the creditor class, and especially the public creditor, ought not to be paid with half the gold promised them. It was, however, only the moneyed class (comprising greatly the public creditors, no doubt,) which made the promise to themselves of so much more gold than they were entitled to, and this might be an incident to take into consideration. This danger to a large class, however, is one of the contingencies which would be got over by making Bank of England Notes a legal tender under the restrictions I have proposed; and I have always thought that this fact, and the fact that the repeal of the Usury Law (which has brought ruin to thousands) can never be got quit of under a Hard Money System, may greatly promote and greatly hasten the adoption of Paper Money in Britain. To bring about Paper Money in Britain, is only necessary that the great truth should get access to the public mind, that it is only by the instrumentality of Paper Money that Britain can ever enjoy a semblance of bona fide Free Trade, meaning thereby that the foreigner will become British commodity (or at least Gold at a British market price) in payment of the foreign commodity. In fact British Industry (so skilled is Britain's labour) might now prosper without more protection than could be got, through the Currency. For the comparatively infant manufactures of British America, however, protection through the Customs will be required, besides the protection which Paper Money would give, although we could do with less Customs duties if we had Paper Money. The advantage to British American Industry, in one way or another, of which Paper Money would be the instrument, to us, would be greater than could be attained by any Customs Duties, although the nominal protection by the latter might be greater than that portion of the advantage to Home Industry which would be measured by the slight rise against the foreign manufacturer, of the foreign Exchanges under a system of Paper Money restricted to \$250 per head of the population. ISAAC BUCHANAN.

COMMODITIES AND LABOUR. ! Fixing gold down, fixed all other things to the same level, and they succeeded in buying and these cheap with their cheap Gold—the synonyme of the dear Money whose value in interest, which the country's industry must pay, must ever go on increasing under Hard Money and Free Trade.—Alas! alas! for poor British Industry, in the hands of the Political Economists! \*

I regard them as the lineal descendants of that personage, regarding whom it is related, that to him the people all adhered, from the least even to the greatest, and yet he was a deceiver, [sorcerer] the strength of his character consisting of nothing innate, of no strength of his own, but of the weakness of the character of his dupes! With half an eye one may see the *concealment* which runs through all the articles and speeches by Free Traders or Political Economists—the writers and speakers, either through design, or ignorance overlook the *vitally important question of how the payment is made*—they do not admit that it makes any matter whether a thing is paid in cash or British labour!—while to the most obtuse practical man, it is self-evident that the latter has the superiority over the former, that it *finds a market for the employment of our own people to the same extent*. Surely all must see that if we buy paper from an English paper-maker, he takes in return British commodities, while if we buy paper from a French paper-maker, he takes gold in return, the shipment of which sets no British industry in motion, but on the contrary is a death blow to every working man, as removing from England the basis of the circulating medium—*his means of employment and payment*. In a word, though theoretically Britain places the foreigner on no better footing than her own producer, PRACTICALLY SHE gives

the foreigner what costs the country more Gold by the amount of labour and home productions in the articles which our own producer would have taken in payment. I repeat that the practice of the political economists is that of *Robespierre* as well as their motto—the Great Interest being sacrificed at the shrine of the Theory.

As might have been expected, the men whose consciences or stupidity, led them to violate the law of supply and demand, did not hesitate to outrage also the constituencies of Britain when the time came—the constitutional wrong being after all the lesser one. A parliament, elected to carry out high protection, as against low protection to British Industry, did away with all protection! *Government by Parties*, or by parties based upon great national interests, thus ceased to exist and until this is restored, the British Government, either abroad or at home, cannot be restored to its constitutional and patriotic character, prior to 1846—and has in fact ceased to be that glorious British system of great National Interests, the admiration and envy of the world, as the most splendid embodiment of National Patriotism, as well as Power.

THE REORGANIZATION OF PARTY GOVERNMENT A GREAT POLITICAL NECESSITY—AS AN INSTRUMENT FOR ATTAINING AND PERPETUATING FOR THE PROPOSED BRITISH AMERICAN FEDERATION, THAT GREATEST OF NECESSITIES, THE INDEPENDENT EMPLOYMENT OF OUR OWN PEOPLE—OR SUBSTITUTING THE OMNIPOTENCE OF THE CONSTITUENCIES AS OF OLD, FOR THE OMNIPOTENCE OF PARLIAMENT OF THESE DEGENERATE DAYS OF FREE TRADE.

For the fact is that in the foul atmosphere of the modern Economists, political life, equally with physical, is extinguished, and a great practical

\* The same is the hard experience of the Canadian Farmer. The foreign merchant wishing to buy his wheat has always gold in his power at a certain price by law; i. e., for his \$5 note he can get about a sovereign or about a quarter of an ounce of gold, which he can transport abroad at little or no cost, so that it is not his interest to take our farmers' wheat except at such a deduction, from the price abroad, as will cover all freights and charges and a very full margin against depreciation from any cause. If, however, we had paper money, the commodity gold would rise like every other commodity, and the farmer would realize a better comparative price for his wheat. He would in fact realize all he ought to get, as he would have the advantage of the law of supply and demand of which, as has been explained, the Hard Money system practically deprives the Canadian farmer.—ISAAC BUCHANAN.

Revolution has stolen over the country, not the less real that it has been a silent one.

At this moment, such a thing as 'party,' based upon a principle distinct from its opponents, has ceased to exist! and in the future it will be told to the everlasting credit of the spirit of *British party* that it refused to live when principle was barefacedly laid aside by our politicians.

The consequence of the two great parties repudiating principle is, that the best feature of the British Government, a *constitutional* opposition in the Legislature, continually acting under the responsibility of having, *at any moment*, the Executive handed over to it, has not existed since Lord John Russell assumed the reins in 1846. At that period, we were laughed at when we talked of the breaking of the Constitution; but if Peel, in bringing about this state of things, (by so outraging the constituencies as to set entirely to one side their late most triumphant decision at the hustings,) has not broken the *terms* of the Constitution, it is self-evident he has broken its *spirit*. What, a few years ago, would have been said if we had been told of the possibility of the Empire or the province, being entirely left to the tender mercies of any one set of men, or to any combination amounting to no more, (and the present Cabinet of England is no more) than a *Conspiracy of men*, instead of the cabinet being as formerly an *Embodiment of principles*! And, in truth, THE DEVOTION OF THE PEOPLE TO HER MAJESTY, AND A MORE GENERAL LOYALTY TO THE MONARCHY,

THAN EVER BEFORE EXISTED, IS OUR ONLY NATIONAL CONSOLATION AND SAFETY.

PAPER MONEY NOT TO BE REGARDED AS AN END, BUT SEEN TO BE A MEANS—AS HAND-MAID OF THE INDEPENDENT EMPLOYMENT OF OUR OWN PEOPLE.

Having dwelt at such length upon my great machinery of independent national prosperity for the Federation—an enlarged paper money whose perpetual presence within its boundaries can be relied on as a basis of transactions, I see it vitally important that I should bring back into the foreground, the reality itself at which I aim, viz: the independent Employment of our own people, it being only as a machinery to attain and to perpetuate this, that I propose paper money. And under the oppressive feeling that the moment is a critical one, I desire to insist still farther on the necessity of this being the first question in politics of the proposed Confederation.

THE PRACTICAL PATRIOTIC OBJECT TO AIM AT TO PREVENT BRITISH AMERICA BECOMING A SECOND IRELAND, \* UNDER THE BLIGHTING INFLUENCE OF BRITAIN'S CRUEL AND UNPATRIOTIC INDUSTRIAL THEORIES.

The clearest way for us to judge of a great principle is to remember that our children are to be blessed or blighted by it. In this way, we shall generally form a correct judgment and see our path of duty to interfere when otherwise we would not see it. Take Religion for instance — looking to oneself, we are ashamed to say that it is comparatively the only thing of any value, and which is alone really worthy of en-

\* Thus far, Irish agriculture had been protected in the English market, as some small compensation for the sacrifice of the domestic one; but now, even that boon, trivial as it was, was withdrawn. Like the people of Jamaica, those of Ireland had become, poor, and their trade had ceased to be of value, although but seventy years before they had been the best customers of England. The system having exhausted all the countries in which commerce had been sacrificed to trade—India, Portugal, Turkey, the West Indies, and Ireland herself—it had become necessary, to make an effort to obtain markets in those which had to a greater or less extent placed the consumer by the side of the producer, to wit: this country, (U.S.) France, Belgium, Germany, and Russia; and the mode of accomplishing this was the offering them the same system by which Ireland had been exhausted. The Farmers were everywhere, invited to impoverish their soil by sending its Products to England to be consumed; and the corn laws were repealed for the purpose of enabling them to enter into competition with the starving Irishman, who was thus at once deprived of the market of England, as, by the act of Union, he had been deprived of his own.—*Principles of social Science*, by H. C. Carey, vol. ii, chap. 10, p. 327. It will be observed that by Commerce, he means Home Trade, and by Trade he means Foreign Trade.



grossing our thoughts; but, looking to the vital consideration *that the decision is for our children* we at once get quit of our false shame. So it is with that question in Patriotic or Social Economy, which is the only thing of any comparative importance, the **THE INDEPENDENT EMPLOYMENT OF OUR OWN PEOPLE**. To avoid the recognition of this we find to be death, not to ourselves only, but to *our children*, as leading to the perpetuation of what is most *delusively* called Free Trade, although it is only freedom for us to buy foreign labour without being freedom for us to sell our labour, even to the particular foreigner to whom we may be paying large sums of money in hard cash for his labour! On behalf of *our children*, therefore, we protest against the attempt to put to one side this **THE ONLY RATIONAL CONSIDERATION — THE ONLY ONE WHICH IS REALLY WORTHY OF ENGROSSING THE ATTENTION OF PARLIAMENT — THE OTHER QUESTIONS OF POLITICS BEING MERE COMPARATIVELY INSIGNIFICANT DETAILS — GENERALLY MORE ORNAMENTAL THAN USEFUL**. Let us, if we dare, decide against this being *the question of questions*—but until we do so, let us admit it to be **THE FIRST QUESTION IN THE POLITICS OF**

**EVERY COLONY, (INDEPENDENTLY OF THE CONSIDERATION OF ANY OTHER PART OF THE EMPIRE), AS WELL AS OF EVERY COUNTRY, AND KEEP IT PERPETUALLY IN VIEW.**

If your space permitted, I would feel greatly obliged by your giving my more detailed explanations of the one practical object I have so long aimed at. These have been given by me to the public on many occasions, but perhaps they will be found in the most concise shape in my speech at the Toronto dinner to the Opposition on 17th December, 1869, and in thirteen articles in defence thereof afterwards written by me for the *Hamilton Spectator*, under the caption, "*The Globe versus the Canada Farmer*." I never had any mere party politics or triumph in view; and I have always been ready to support any man who would take a patriotic view of Canadian industry. I have not hesitated to declare, and desire now again to declare, that, in my opinion, British American industry has more to fear from Mr. George Brown than any other public man;\* yet I also desire frankly to admit that I have very little more faith in Mr. Galt's freedom from English Free Trade influences, or in his practical knowledge of the Industrial Interests of the country.† And that there may be no doubt as to

\* "And Mr. Buchanan may rely upon it that the further Free Trade is carried by Canada the more she will prosper. If we could abolish the tariff altogether, and pay the expenditure by direct taxation, we should do more for the prosperity of Canada than all that was ever dreamed of by a Protectionist."—*Globe*, January, 1864.

This shows an entire want of practical experience of America, and of ability to appreciate the peculiar interests and circumstances of a new Country. One would have supposed that Mr. Brown's friends had already had enough of direct taxation and its dreadful effects in the *MUNICIPALITIES*. But supposing that the tax gatherers could collect directly, at the farm houses of Canada, the same amount which is now collected indirectly by Customs Duties (a feat which even backed by bayonets they could never achieve), it would be no less the same payment by our people, while we would be involved in an annual bankruptcy, and wretched boggery, through the unrestricted import of foreign labour to supplant our own, without our even having the counterbalancing advantage of freedom to export our labour! And if Canadians get the liberty to send their labour, in the shape of productions and manufactures, to the United States, what is this but the proposed Zollverein against which Mr. Brown protests?

† The adoption of Free Trade, also, has been accompanied by the concession of large measures of liberty of action to the colonies, which tends more than anything else which can be conceived

‡ "Intellectus humanus ex proprietate suafacile supponit majorem ordinem et equalitatem in rebus quam inventit. Et cum multa sint in natura motus, et plena imparitatis, tamē affingit parallelā, et correspondentiā, et relatiā, quos non sunt."—(Nov. Org.)

Lord Bacon here warns us against the tendency of the human mind to the worship of system, from its being inclined to believe in a greater degree of order, regularity, and conformity with general rules, than really exists: and this is, I consider, the error of Mr. Galt.

what I object to in Messrs. Galt and Brown, I may state shortly thus: Both of them, for the temporary interest of the Government, cruelly forget the people, and push importations for the sake of revenue or prosperity of the Government—although increased importations do not mean prosperity to the people but the contrary; and both of them aggravate the depressing effects on the people of large importations of foreign labour by upholding our "Hard Money system,"—neither of them having practical knowledge enough to be aware that the absence of Hard Money payments is the only possible alleviation of over importations to a people, and that, by the presence of emblematic money, the calamity of increased debt and difficulty would be greatly confined to the individual delinquents who over imported, seeing that then, even if foreign labour was brought here and displaced our own labour, this would not involve to the

people the aggravation or second evil, of the money composing the circulating medium being sent away to pay for it, or, in other words, of the children's bread being thrown to the dogs.

And that there may be no doubt as to what the contrary view, which I approve of, consists in, I would here state it in a few words: We say that British America ought not to buy foreign labour, except to the smallest extent possible, as even this will be over our ability to pay, but for the money that comes in yearly through immigration. That which is money in England, or "hard money," the proceeds of exportable produce, we possess in a very limited degree, from our having only a limited amount of exportable produce, and from our being without remunerative markets abroad even for that. British America has, however, any quantity of food and clothing with which to pay manufacturers who choose to come here and manu-

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to secure the permanence of their connection with the mother country."—*Globe*, January, 1864.

Unfortunately for the correctness of this statement, Canada got Responsible Government, and the power to legislate on its own trade in 1841, (long before the Free Trade era.) This greatest Reform was gained by Canada before Mr. Brown arrived in the Colony. His insane course is to persuade England to take back part of it, and veto any bill passed by the Provincial Legislature enabling Canada to co-operate with the United States in mutually shielding themselves from the deleterious effects on these countries of the low priced, not to say degraded, labour of Europe. Then again the *Globe* makes the following other mis-statement:

"The only colony which Britain ever lost—the United States of America—was sacrificed, not to Free Trade, but to the very opposite principle. It was, in fact, from the old ideas of colonial policy that the chief danger of a severance of connection arose."

Every reader of American history knows that the main thing which lay at the bottom of all the discontent of the old colonies was the determined and openly avowed policy of English statesmen not to allow the colonists to engage in even the simplest manufactures.

My protest against those, like Mr. Brown, who would not have our own Government protect our own provincial interests peculiarly, I cannot better express than in the words of a great French writer and statesman, M. Thiers. He denounced the let alone system (that system which would always and everywhere leave labour and capital to their own course) as "a system of indifference, inaction, impotence and folly." See the great speech of M. Thiers, "*Sur le régime commercial de France*."—ISAAC BUCHANAN.

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But, to speak in more homely phrase, I think Mr. Galt's weak point that which he and his friends consider his chief strength, HIS ONENESS OF VIEWS WITH THE STATESMEN OF BRITAIN. He and they have taken for granted that Political Economy is a science; but I deny that it is, entitled to such distinction. A science is a thing of fixed facts, whereas the facts of Political Economy are ever varying circumstances! Beyond these I might have been glad to have had an opportunity to admit the subdivision of labour, and the law of supply and demand, as fixed facts on which to begin to form a science, but both of these have been shamefully outraged by the *so-disant* Political Economists. They have given away our Nation's labour, or all they could of it, to the foreigner, leaving little to subdivide, and they have grossly abused and violated the law of supply and demand, in fixing the price of Gold. I shall give below a translation of Lord Bacon's words quoted above.—ISAAC BUCHANAN.

"The human mind, from its peculiar constitution, readily supposes a greater degree of order and equality in things than it actually finds. And, though many things in nature are unique and disparate, it yet frames for itself parallelisms and correspondences where none exist."

facture, on the spot; and we therefore insist that it is our true, and indeed only rational policy to promote manufactures in the Province, and thus gradually raise up an independent home market for our agricultural population, fisheries, &c., &c.

It is as the handmaid of such a patriotic Industrial policy for British America that I desire to see an independent circulating medium established, and *one which can be depended on remaining amongst ourselves.* Upon the Federation's being secured this, hangs, in my opinion, its certainty of prosperity. Armed with the incalculable advantages which I see would flow from a properly restricted emblematic money, I should consider the prosperity and contentment of the Federation quite certain. But if we are deprived of this I am satisfied the *contrary result is just as certain*, even if the Reciprocity Law with the United States is retained by us, and much more so if our farmers are deprived of the markets of the United States, and *nothing practical is done to secure similar markets in our Maritime Provinces, by raising up the population of the seaboard cities industrially.*

And it is not alone in case of Federation that we want the advantage of emblematic money. The immense advantage enjoyed by the United States over Canada at the present moment, in the matter of the employment of their population, in consequence of their Paper money, is daily attracting away numbers of the most energetic of our people; and this evil must greatly increase as the prospect of employment in Canada is becoming poorer and poorer. Even already the distress from want of employment in Canada West is very great, and should there be the prospect of our losing the Reciprocity Law with the United States, without having, in the present, the alleviation of an increased circulation of money, and, in the future, the prospect of relief through the practical opening to us of the markets of the Confederation, I believe a very large part of the population of Canada will leave for other countries, especially for Australia, where patriotic principles in regard to

its own resident labour has been adopted, and I must frankly admit that it would be the interest of their families that they should take this step.

It was under such convictions that, contrary to my own inclinations, I felt it my duty to avail of the occasion of my resignation to bring our Provincial position, and the *only remedy for the calamities that threaten us*, before my old friends, the members of the Parliament and the public; and it is under these same convictions, and with even more reluctance, that I make this farther explanation.

All will admit that I can have no object except to help to get a state of things established in which prosperity is *possible*, by banishing from this side of the Atlantic, (if we cannot influence the same happy result in our fatherland,) Britain's Industrial Theories which, in my opinion are so atrociously unpatriotic that I do not think human ingenuity could devise anything else so bad. One great result of this achievement would be our securing the retention of the Canadas to Britain; but even this, although it seems desired and valued by Her Majesty's subjects more and more in the ratio of their distance from the heart of the Empire, is really a secondary consideration to securing the existence of a state of things throughout the population, in which the fate of each man (humanly speaking,) would be in his own hands—industry being sure of its reward, or of prosperity as a general rule, which I am sorry to say is not the case now, in consequence of the Province being cursed by an alien "Hard money" system, under which the Bank Note circulation of Canada, which seven years ago, was sixteen millions of dollars, is now only eight millions, nevertheless the immense increase in internal commerce, and although the fixed property of the Province is worth nearly double what it was then.

But exactly the contrary policy is what Mr. Brown and the English manufactures suggest as our wisest course. We, however, have actually experienced the advantage of the very contrary principle to that which their ignorance or self-interest lead them to advocate; and

as a result, the prospects for Canada now, though still weighed down by our Hard Money system, are very different from what they were when our Customs' Duties on English goods were 2½ per cent. Every loyal subject, both in Britain and here, must rejoice in this, for it would have been absurd to expect that Britain could long have retained Canada, had the marked difference between this Province and the United States continued, which was thus alluded to in Lord Durham's celebrated report made in those days when the Customs' duties on manufactured goods entering the Province was 2½ per cent. :

"By describing (says Lord Durham) one side of the frontier and reversing the picture, the other would be described. On the American side, all is activity and bustle. The forest has been widely cleared; every year numerous settlements are formed, and thousands of farms are created out of the waste; the country is intersected with common roads, etc. \* \* \*

On the British side of the line, with the exception of a few favoured spots, where some approach to American prosperity is apparent, all seems waste and desolate. \* \* \* The ancient city of Montreal, which is naturally the capital of Canada,\* will not bear the least comparison, in any respect, with Buffalo, which is the creation of yesterday. But it is not in the difference between the large towns, on the two sides, that we shall find the best evidence of our inferiority. That painful but most undeniable truth is most manifest in the country districts through which the line of national separation passes, for a distance of a thousand miles. There, on the side of both the Canadas, and also of New Brunswick and Nova Scotia, a widely-scattered population, poor and apparently unenterprising, though hardy and industrious, separated from each other by tracts of intervening forests, without towns or markets, almost without roads, living in mean houses, drawing little more than a rude subsistence from

ill-cultivated land, and seemingly incapable of improving their condition, present the most instructive contrast to their enterprising and thriving neighbours on the American side. \* \* \* Throughout the frontier, from Amherstburgh to the ocean, the market value of land is much greater on the American than on the British side. In not a few parts of the frontier this difference amounts to a thousand per cent. \* \* \* The price of land in Vermont and New Hampshire, close to the line is five dollars per acre, and in the adjoining British townships, only one dollar. On this side of the line a very large extent of land is wholly unsaleable, even at such low prices, while on the other side property is continually changing hands. \* I am positively assured that superior natural fertility belongs to British territory. In Upper Canada, the whole of the great peninsula between Lakes Erie and Huron, comprising nearly half of the available land of the Province, is generally considered the best grain country of the American continent."

In a word, THE COMBINED OLD COLONIAL AND HARD MONEY SYSTEMS were a death-blow to the Colonial Farmer. Lord Durham, however, did not see Canada in her lowest condition, such as she was in before the days of BANK NOTES. Previously to Lord Durham's visit, and within my own recollection, the mightiest amelioration had occurred in the circumstances of the farmer of Upper Canada—the introduction by us of Banks, † followed by Business on a large scale, having simultaneously given him A TWENTY PER CENT. REDUCTION, AT LEAST, ON THE PRICE OF HIS SUPPLIES, AND FULLY AS GREAT AN ADVANCE ON THE PRICE HE GOT FOR HIS WHEAT—both arising from the trade being no longer wholly in the hands of the foreigner, but being also competed for by Canadians through means of the Banks.

"The British system, on the contrary, (says Carey) had for its object a stoppage of circulation among the Colonists, with a

\* To see how the raising up of manufactures at Montreal has changed all this already, should shut the mouths forever of Mr. Brown and the Free-Traders.

† Our local Banks have no more, than our Importers, the character of the Alien money power alluded to in these pages, for the greater the prices of Canadian produce, the better the payments both get.

view to compel the export of raw materials, and their importation in the form of cloth and iron. That such a policy tended towards the destruction of both land and man, was well understood by Franklin, according to whom it was in 1771, 'well understood that whenever a manufacture is established which employs a number of hands, it raises the value of lands in the neighbouring country all around it, partly by the greater demand near at hand for the produce of the land, and partly from the plenty of money drawn by the manufactures to that part of the country. It seems, therefore,' as Franklin continues, 'the interest of all our farmers and owners of lands to encourage our young manufactures in preference to foreign ones imported among us from distant countries, such was then the almost universal feeling of the country, and to this, FAR MORE THAN TO THE TAX ON TEA, OR THE STAMP ACT, THE REVOLUTIONARY MOVEMENT WAS DUE. With the establishment of their independence, the necessity for submission to the system disappeared. The habit of submission continuing, however, its effects are felt in the fact that, with slight exceptions, the policy of the United States has been directed towards securing markets for raw products—a proceeding resulting necessarily in exhaustion of the land, dispersion of the population, and stoppage of societary circulation. \* \* \* \* \* The power to combine (continues Mr. Carey, referring to Virginia, which ignorantly had avoided manufactures) having no existence, coal could not be mined, nor could wool be spun, nor cloth be woven. The smaller the bulk of the commodities taken from the land, the less being the charge for transportation, the planter found himself limited to the most exhausting of all crops—Tobacco. HE LIVED, IN FACT, BY THE SALE OF THE SOIL ITSELF, and not by the product of his labour. HE AND HIS LAND BECOMING IMPOVERISHED TOGETHER, he was compelled to transport himself and his people to more distant lands, with constant increase of the tax of transportation, and a constant decrease in the rapidity of circulation."

# THE IMMEDIATE ORGANIZATION OF MANUFACTURES IN THE BRITISH AMERICAN COLONIES A GREAT POLITICAL NECESSITY—WHETHER LOOKING TO THE SAFETY AND AGGRANDISEMENT OF THE EMPIRE, OR TO THE SAVING FROM RUIN OF THE AGRICULTURAL POPULATION OF THE PARTICULAR COLONIES.

It is clear, then, that the early inhabitants of the United States were well aware how little a purely agricultural country really gets back when trading with a distant manufacturing one. GEE, ON TRADE—the authority of his day states that the calculation then (in 1750) was that the colonist got back about one-fourth the value of his production from England! The Canadian farmer can easily understand that this could not be far from the mark, when at this day he finds that he cannot get more than about half the value which the English farmer does for the same quantity of wheat, from getting (in consequence of the distance) 25 per cent. less for his wheat if it goes to England, and paying 25 per cent. more to pay the expenses of importing the £75 worth of supplies which his £100 worth of wheat has purchased in England. The whole export and import trade put together of a country are only about ten per cent. of its transactions; YET, WHEN DEPENDENT ON A FOREIGN MARKET, THE PRICE WHICH THE FARMER GETS FOR HIS SURPLUS WHEAT, WHICH HE EXPORTS FIXES THE PRICE OF ALL HE GROWS; and herein lies the almost incalculable advantage, to British America, of the better market of the U. States when compared with that of Europe.

The whole object I have in view is simply to impress "before it is too late," on those who have influence on our destinies, the absolute necessity of our securing on this side of the Atlantic a market for our agricultural productions, and I cannot do this more emphatically than by giving the closing words of a very plain spoken Brochure, "*The success of Canadian Manufacturing no longer doubtful*," published by me in 1860, chiefly for circulation among the members of the Provincial Parliament, although I believe one was sent also to each member of the Imperial Parliament.

"We neither respect nor fear the present race of men in England who call themselves statesmen.\* From their patriotism we expect nothing, any more than from their lamentable ignorance of the Colonies; † but from their fears we might look for something, if they would only reflect how the old American colonies were lost to Britain. In the mean time we can only hope that the people of Britain and through them the Governments of Britain (which, in the present day, whether Whig or Tory, are mere mouthpieces of the Manchester school), will get their eyes open to the fact that Irreciprocal Free Trade is impossible, and, if possible, is the contrary principle to the principle of Empire, if not of country! *Sum Romanus*—I am a Roman Citizen—was a proud, because a substantial boast; but while this wretched

Manchester idea bears sway in the Imperial Councils and Legislature, a British subject has a heritage of *Duties* to be performed, without being in the possession or prospect of a single peculiar privilege to be enjoyed—our national blockheadism making him share his national advantages with all the countries in the world, not one of which will share its national advantages with British subjects! In Canada our peculiar danger arises from the influence of old country people, newly arrived, who seem all to have, *from not taking time to reflect*, confidently believed the Manchester politicians, and adopted as a truth that greatest of all untruths, that free imports is Free Trade—it (English Free Trade) being only FREEDOM TO BUY FROM OTHER COUNTRIES THEIR LABOUR, BUT NOT FREEDOM TO SELL TO OTHER COUNTRIES OUR

\* "Our Cosmopolitical statesmen of the present day are throwing up those noble countries called the British Colonies with the same *nonchalance* as they departed from the patriotic maxims called British principles. To the countries and the principles alluded to, there is the same moral certainty of a glorious resurrection, but whether this shall occur before or after these have been driven to repudiate the name of British and take refuge under the American flag, depends on how long the national delusion shall continue that holds up such men as Peel, Gladstone and Earl Grey." Thus I wrote at the Free Trade era, and I feel the same distrust still. They seem to think it none of their duty to direct public opinion, or even to stem it, when they see it setting in in a wrong direction. Their personal popularity for the present day seems all they think of, and they would not be accused of anything so old fashioned as patriotism, until being so becomes again popular. Innumerable instances of the ill judged admissions and speeches which they have made in regard to the Colonies, must occur to every one—made, too, by men who know that to speak of the *independence of these Colonies* is virtually to resign them to the neighboring Republic. Could anything, for instance, be more ill judged and uncalled for than that Lord Clarendon, with all the weight of his great authority should have said in the House of Lords, some years ago, on the introduction of the Bill to alter the Constitution of Canada with a view to render the Legislative Council elective:—

"He thought the time had arrived when the Colonies might separate from the Mother Country with mutual advantage."

Did this arise from sheer want of thought upon the subject, or had his Lordship contemplated an act which would have placed the United States in the first position in the world as a naval power! We may surely, then, be pardoned, if our feelings as Colonists are sometimes expressed in no very measured language, such as the foregoing language of this *brochure*, or the following from my speech at the Banquet given to the Pioneers of Upper Canada, which took place at London, U. C., on 10th December, 1863:

"On occasions like the present separate toasts are proposed to agriculture, commerce, and manufactures; but in Canada there is but one interest. (Cheers. I should deplore the setting up, as in England, of a separate commercial interest, composed as Manchester is, of German Jews and others, whose only interest is in the prosperity of other countries; although they have the audacity not only to exercise political power in England, but think they should control the Government, as indeed they now do. I have little in common with President Lincoln and less with President Davis, but I would rather as a Colonist be under the rule of either, so far as my respect for them personally is concerned, than under that of such political athletes (as having no patriotism industrially) as the present English Chancellor of the Exchequer, Mr. Gladstone, or those men from whom he derives his vitality, such as Mr. Milner Gibson, Mr. Bright, and Mr. Cobden. (Hear, hear.)"—ISAAC BUCHANAN.

† See the *Globe's* repeated exposures of the ignorance of even the *Times* newspaper on Canadian subjects.

**PEOPLE'S LABOUR.** This and the desire to get popularity with the many, or in fluence with the few, in Britain have hitherto prevented our Provincial statesmen speaking out, and making clear to the Colonial Office the decision of Canadian public opinion on the most vital of all subjects for Canada. They will now however, I trust, speak out, and declare in the most unmistakable terms, that the use of the Canadian Legislature is not to make the quixotic attempt to take care of other parts of the Empire, or of the World, but practically and with every possible pains, to promote and to defend Canadian interests; as well as make it understood by our friends in the mother country, that Canadians are no longer blind to the fact that this patriotic policy can best be attained, and can only be attained, by firmly adhering, under every possible circumstance, whatever be the result, to the substance of the following Resolution:

*"That while we in Canada have no wish further to increase our Customs duties, and while we look to doing away entirely with those on Tea, Sugar, and all articles which we do not grow or manufacture, our Provincial policy is to prevent our people incurring debt abroad for anything they can avoid, and we shall never consent to reduce—otherwise than as a matter of RECIPROCITY WITH THE UNITED STATES—the import duties on articles which we can grow or manufacture."*

Referring to the foregoing Resolution embodying what I saw to be the true policy for the Canadas, in 1860, I must explain that I believe all in Canada are agreeable that in the British American Federation we should at first lower our customs duties to meet the Maritime Provinces half way; but from the greatly increased taxation in the United States, which has enormously increased the cost of manufacturing in that country, we feel that we shall run no risk of being injured by this temporary reduction of our customs' duties; and I have confidence that public opinion in the Confederation will in good time restore them

to the present, or within 5 per cent of the present tariff. All of course will come to be dictated by public opinion after the formation for the British American Confederation; but the people composing it are well aware of the extraordinary experience of the United States, and will, I am confident take warning therefrom. The policy of the United States, (says Mr. Carey\*) has been very variable—tending occasionally, and for short periods, to the arrest of the export of raw materials, and of gold. As a rule, however, the tendency has been in the opposite direction—the consequences have exhibited themselves in the stoppage and failure of Banks above referred to. They are found, for the first time, in the period from 1817 to 1824, WHEN MANUFACTURES CAME FREELY IN, AND COIN WENT FREELY OUT; for the second, in the calamitous years which preceded the passage of the Act of 1842. Excluding these two periods, it may be doubted if all the failures of Banks throughout the Union, in the thirty years from 1815 to 1846, amounted to the thousandth part of one per cent., or if the losses of the people by the banks amounted to even the millionth part of one per cent. upon the business which they so much facilitated. The losses resulting from the use of ships in a single year would pay, a hundred times over, the losses by all the banks of the country for a century—with the exception of the six years ending in 1824, and the five which closed in 1842.

"Then, as now, the country was strained in the effort to produce an export of raw materials, by which THE SOIL WAS TO BE EXHAUSTED; and then, as now, the precious metals followed in their train. The policy forbade the use of gold and silver coin. It forbade the use of credit; and hence it was that hoarding became so general in the years from 1837 to 1840, that the large export of coin to this country by the Bank of England, in 1838, had not even the slightest effect in restoring the confidence that had been lost. So it is now. The quantity of gold in the country is greater

\* Mr. Carey always uses the word commerce to mean internal, not external trade.

far than it has ever been, but it is shut up in treasury vaults, because of want of confidence in banks; it is being transported from South to North, or from West to East; or it is shut up in private hoards; but—and for the simple and obvious reason, that confidence has no existence—IT IS NOT IN CIRCULATION. All are looking for an explosion similar to those of the periods of 1817–20 and 1837–42; and all who can, prepare for it.”

“Directly the reverse of this is what we meet with whenever the policy of the country tends to raise the prices of home-grown raw materials, and thus to arrest their export.—UNDER THE TARIFF OF 1828, SO PERFECT HAD BECOME THE STABILITY OF THE PRICE OF FLOUR, THAT IT REMAINED ENTIRELY UNAFFECTED HERE, NOTWITHSTANDING THE EXTRAORDINARY CHANGES OF FOREIGN MARKETS.\*—

Under that tariff, the precious metals flowed in, and confidence was complete. The policy was changed, and mines ceased to be opened, while furnaces ceased to be built; and then confidence disappeared.—Under the tariff of 1842, money became abundant—not because of a large increase of import, but because of the almost instant re-establishment of public and private credit.—The gold and silver that had been hoarded, and thus for the time annihilated, then came forth, to become available for the purposes for which they were intended.

“All the facts presented by the history of the United States may be adduced in proof of the assertion, that *the country which maintains a policy tending to promote the export of raw materials must have against it a balance of trade requiring the export of the precious metals, and must dispense with their services as measures of value.*†

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\* Let Farmers in Canada mark this.

† “Government should let things alone—*Laissez faire, laissez passer.*”

“One of the most common and invincible fallacies is this—that things are good by nature and spoilt by art. So said Rousseaux of man as an individual; so many still say of human society. It is a common error; most young men fall into it, and are only undeceived by bitter experience. It is invincible, for, having its root deep in human nature, it springs again with every fresh generation. But it is nevertheless an error. Everything may be improved by culture. Nothing is so natural as art. The indigenous sloes and crabs and weeds of England, when cultivated and improved in orchards and gardens, are plums and apples and flowers. Man without artificial culture, without intellectual, moral, religious education, is a stupid, sensual, ferocious, and disgusting savage. Such is natural uncultivated man, not as poets paint him, or philosophers imagine him, but as travellers actually see him. The same human creature, subjected to early culture, instructed, disciplined, christianized, is but a little lower than the angels. Nor is artificial regulation less necessary to man in the aggregate than to man individually. Life, personal liberty and inviolability, family, property, reputation, are guarded by laws, complex and artificial, in proportion to the advanced stage of society. Personal injuries, if not entirely prevented, are nearly extirpated, by an artificial system of penal sanctions, and further diminished in number and intensity by the compensation which in most cases the injured party is entitled to exact from the aggressor. The jealous and despotic supervision and enforcement of the marriage contract by the state, is the artificial source of the endearing and humanizing relationships of father and child, brother and sister, of family duties, family education, family restraints. Withdraw the interference of the law, leave things alone, and families no longer exist, society relapses into barbarism. The institution of property, the spring of all industry and improvement, leans entirely on an artificial system of laws, civil and criminal, defining its limits, protecting its enjoyment, and securing its peaceable and certain transmission. The vulgar eye, surveying the surface and admiring the achievements of modern society, penetrates not to its anatomy,—to its secret, but complex mechanism. Much, that is due to art, is attributed to nature. But a still deeper and steadier insight into the constitution of society, will disclose not only artificial political arrangements, but commercial and fiscal ones, tending to the virtue, the happiness, the wealth, the power, the grandeur and the duration of states. The possibility of such artificial regulations is agreeable to analogy and conformable to experience. But both analogy and experience forbid the expectation, that increase of wealth and its fair and equitable distribution, by the full, various, and permanent employment of the people, will



"Those facts may briefly thus be stated:—

"Protection ceased in 1818, bequeathing to free trade a commerce that gave an excess *import* of specie—a people among whom there existed great prosperity—a large public revenue—and a rapidly diminishing public debt.

"Free trade ceased in 1824, bequeathing to protection a commerce that gave an excess *export* of specie—an impoverished people, a declining public revenue—and an increasing public debt.

"Protection ceased in 1834–35, bequeathing to free trade a commerce that gave an excess *import* of specie—a people more prosperous than any that had even then been known—a revenue so great that it had been rendered necessary to emancipate tea, coffee, and many other commodities from duty—and a treasury free from all charge, on account of public debt.

"Free trade ceased in 1842, bequeathing to protection a commerce that gave an excess *export* of specie—a people ruined, and their governments in a state of repudiation—a public treasury bankrupt, and begging everywhere for loans at the highest rate of interest—a revenue collected and disbursed in irredeemable paper money—and a very large foreign debt.

"Protection ceased in 1847, bequeath-

ing to free trade a commerce that gave an excess *import* of specie—a highly prosperous people—State Governments restored to credit—a rapidly growing commerce—a large public revenue—and a declining foreign debt.

"Since that time, California has supplied hundreds of millions of dollars in gold, nearly all of which has been exported, or is now locked up in public and private hoards; the consequences of which are seen in the facts that COMMERCE IS PARALYZED—THAT THE PRICE OF MONEY IN THE COMMERCIAL CITIES HAS RANGED FOR FOUR YEARS BETWEEN TEN AND THIRTY PER CENT. PER ANNUM—AND THAT THE INDEBTEDNESS TO FOREIGN NATIONS HAS INCREASED TO SUCH AN AMOUNT AS TO REQUIRE, FOR THE PAYMENT OF INTEREST ALONE, A SUM EQUAL TO THE AVERAGE EXPORT OF ALL COUNTRIES IN THE WORLD.

While upon this point, *that of the necessity of the Colonies manufacturing for themselves*, I shall quote from a letter published in Scotland last month, (January, 1865) by an old friend of mine, William R. Grahame, Esq., for a quarter of a century a resident farmer in Vaughan near Toronto. Mr. Grahame's great Colonial experience has taught him that the only chance for the Empire is in *decentralizing its manufactures* in the way I propose; and his present resi-

flow from the *let alone* system. On the contrary, there is too much reason to apprehend that the natural course of things will here, as elsewhere, be a vicious one; that the sum of national wealth will not increase, as it might be made to increase; that its distribution will be imperfect; that land will be but half cultivated; that employment will be precarious and wages scanty. Let us incline ourselves before the teachings of history. What triumphs has the *let alone* system to shew, since the world began! On the other hand, history is full of the marvellous achievements of industry forced into artificial channels, by the foresight and power of wise governments. Ancient and modern history each present examples of mankind, by an artificial direction of their industry, not only assailing and subduing the apparently invincible infecundity of the soil, but compelling it ever after, to feed generations and sustain the power of mighty kingdoms. What was Egypt by nature? a sterile moving sand. It has been well observed that its pestiferous river full of black mud, too filthy to slake the thirst or wash the person, was of little use, except to the rats, the insects, and the hideous reptiles. Immense labors at length achieved a dominion over it. Canals, reservoirs, and multiform contrivances for irrigation, led it at length to every door—the minister of health, cleanliness, and fertility. Now there was, and ever since has been corn in Egypt. Ever since, in spite of bad government under the Pharaohs, the Persians, the Ptolemys, the Romans, the Caliphs, the Mamelukes, and the Pachas, it has been the land of plenty. What would it have been all this while, if from the slime of the Nile, three thousand years ago, had crawled forth not crocodiles, but political economists. Their cry would have been, "Don't attempt to force labour and capital into artificial channels, and at such an expence to bring into cultivation sterile lands, buy at a cheaper rate from your neighbours, the Arabs, the Numidians, the Cathaginians, the Syrians, the Sicilians. As for your means of purchase, let them take care of themselves. *Laissez faire, laissez passer.*" *Sophisms of Free Trade and popular political economy examined*—BYLES.

dence for some years in Scotland, where he has large property, has confirmed him in this conviction by showing him that (conceal it as the Free Traders may) there are at this moment tens of thousands of men in the mother country unemployed and a still larger number who are badly paid though not actually without employment. He complains that the scheme of the Political Economists is to prevent these men emigrating, seeing that this as lessening the supply of labour would tend to cause the rise of wages in the mother country :—

"I propose (says Mr. Grahame), 1st To state the immediate and necessary cause of the want of employment, if such there be. 2nd, to state in some detail the greater operative causes of the want of employment, and proofs of the reality of that want, together with arguments, illustrations and suggestions pointing to a remedy. 3d, the fundamental cause—the cause of all the other causes of the want of employment.

"When men are able and willing to work, but cannot get work, the immediate cause of their want of employment must be that the supply of labour exceeds the demand; and this is the case in all kinds of industrial occupation, whether agricultural or manufacturing. So much is undeniable. But what is the cause of such excessive supply of labour? In some countries it may be the limited extent of their territory as compared with the number of people,—that and the want of colonies. In others the vice and follies of the Government or State. And in so far as mere human power and human action influence the relations of supply and demand, an excessive supply of labour must be owing either to limited territory or to vicious or unwise Government, whatever the form of government may be, whether monarchical like Russia, republican like America, or mixed or parliamentary like our own.

"Seeing that Great Britain is certainly not deficient in territory—at least in the colonies—the excessive supply of workmen in the United Kingdom, compared with the demand for them, must be owing to bad and unwise government,

whether the evil be in the Ministers of State alone, or in Parliament too, or whether it be also in influential individuals and classes operating upon Government or Parliament.

"Let us here divide the over supply of workmen into two classes—1st, the manufacturing; and 2nd, all other workmen, of which the great body is agricultural workmen. And first, let us consider the manufacturing ones. What is it that hinders the surplus manufacturers from emigrating? One cause is that the Lancashire master manufacturers have combined to deter the Government from assisting the wretched unemployed operatives to emigrate. And why? what could their motive be?—Interest: Their knowing and steadily keeping in view the law of supply and demand. Diminish the supply of workmen, and the demand for them would increase, and with the demand wages must increase.

"A good negro in the Southern States of America before the war begun was worth—how much?—£200 to £500, I suppose; surely not less than £200. What is the worth of an average operative? By the happy loquacity of the celebrated statistician, Mr. Chadwick, I am able to tell you. At the last meeting of the Social Science Congress at York this year, Mr. Chadwick was so good as to tell us that according to a minute calculation of Mr. Heywood, secretary to the Cotton Supply Association, £80 was the money. Thinking his very words may be interesting I quote them :—"Mr. Heywood, the secretary of the Cotton Supply Association, has estimated, by a division of the margin of wages and profits in the year 1860; that the sum of £80 would be lost to the trade for every working hand that emigrates." £80, then, according to the excellent authority of Mr. Heywood, indorsed by Mr. Chadwick,—£80 is the money; and remember that was for the prosperous year of 1860; consider, also, that the negro is fed and his family are fed by the master, and when he gets old and past work he is still fed by his master; while the operative, so long as he can work, has to feed himself and his family—and when he is past work,

the parish or the union is his portion! Of course the millowner is rateable to the parish or union; but now-a-days even the unions are in Lancashire considered too small for poor-rate purposes; and at Stockport, only last month (see *Manchester Guardian* of the 22nd Nov.)—the Guardian of the Union at Stockport memorialized the Poor-law Board to abolish the existing law of parochial-settlements, and urged a national charge as—what do you think?—as more equitable. Mr. Villiers, President of the Poor-law board, there is reason to suspect, sails in the Lancashire boat; and Mr. Cobden, too, in his great speech at Rochdale last month, pronounced the restrictions of parish settlements to be abominable. Now, in passing, let us ask, does not this scheme for sharing the charge of the poor with the whole country lead to the conclusion that in the manufacturing of paupers Lancashire expects hereafter to have a great balance of beggary at her credit as compared with the pauperism of the kingdom at large?

“Last year, when the starved people of Stallybridge broke into some victualers’ and bakers’ shops, and helped themselves to bread and cheese, and perhaps a little drink, a number of people thought, now at last the deluge is coming. Emigration was needed. “S. G. O.” the famous correspondent of the *Times*, asked—“Is there at this moment any trade which will bear further pushing into it say only 200,000 subsidized hands? How about the effect of this on the present workers at that trade, supposing it exists at all?” The celebrated writer, Mr. Kingsley, too, urged emigration. He said—“The thing which must have happened has happened. The Lancashire operatives have begun to consider alms as their right, and to riot in consequence.” Of the master manufacturers he said:—“Now they have a perfect right to use the glut of the labor market for their own advantage—(strange doctrine for a clergyman!)—and to keep their workmen in England, provided only that they do it at their own expense.” The *Times*, too, took the alarm, saying—“The feeling of independence is gone. Mr. Potter may keep his working power

if he can, but he will never get any more good out of it!” This is that Mr Potter M.P. for Carlisle, who in a letter to the *Times* had said—“The master cannot willingly see his labor power removed.” If certain parties would purchase and pay for such labor, “they had a perfect right to do so.”

“But Mr. Potter and his cotton-lord brothers knew better. They know how the “big loaf” bawlers had been got to bawl the “big loaf” in old times, and how demonstrations of “public opinion” had been got up in Lancashire and elsewhere. They know how useful the press had been, and they knew the reason why. In order to prevent the emigration of their hands, they got the Government, through Mr. Villiers, to send Mr. Rawlinson to Lancashire to pave the way for the public works scheme, and then get the Public Works Act passed through Parliament. Messrs Farnall and Rawlinson were sent to Salford. Mr. Farnall, in a speech flattering the operatives, told the General Purpose Committee of the Salford Town Council, that “there could be no doubt but that the conduct of the people had been admired by the whole world, and that it was impossible to meet with a more civil or better behaved people; that the Government were prepared to recommend to Parliament the lending of money at 3½ per cent. to employ the people at home, and keep them from emigrating.” But he told them, too, what he had no need to tell them, that it would be necessary to take care how the people were employed, or they would not go back to the Mills when wanted. Whereupon Alderman Pochin asked if instead of 3½ per cent. the Government would not take 3 or 3¼ per cent. This huxtering, it must be confessed, either looked, or seemed to look, as if there was really some intention of repaying the loan. Well, the Public Works Act was passed for employing the destitute workmen; Manchester took £227,860 of the money, and of that sum not more than £12,000 is to go into the hands of those for whose benefit the Act was passed.

Thus Manchester succeeded in arrest-

ing the movement for emigration; and not only so, but managed to appropriate the far greater portion of the £227,860 of the Government loan, intended for the employment of the poor, in order to improve and embellish the property of the rich employers and merchants, who, according to the *Times*, not only escaped bankruptcy by the opportune occurrence of the American war, but almost made an enormous profit out of it. In that way the benevolent efforts of many individuals, to proportionate more equitably the relations of supply and demand in the labour market of manufactures, have been frustrated, and to this day the immense interests of labour and property of all kinds in the United Kingdom and all its dependencies are left to hang on the issues of a quarrel 3,000 miles away, the endurance and period of which no man can calculate, or tell whether it will be for months, or for tens of years. It is said that the cause of the distress of the workers is far beyond our control. If so, what is the reason of the national impotency? WHAT IS IT BUT THE VAIN AND IMPIOUS DESIRE STILL CHERISHED TO SWAMP THE MANUFACTURING INDUSTRY OF ALL OTHER LANDS,\* AND TO MAKE THIS COUNTRY THE WORKSHOP OF THE WORLD? And if there be no other cause, is it not simply this—that our Government and great men are ashamed to confess the proved fact that their political economy has been wrong? “I have sinned” is a hard word for a proud man to say, even when he fears that without a confession and repentance both he and his country may perish. The fact is, however, that the cure of the distress is not, and never was or could be, wholly beyond our control. India, if secured against the contingency of her cotton cultivators being ruined by a possible sudden close of the American war, and a consequent raising of the blockade and outflow of cotton from the South, could with safety both have vastly increased the quantity, and with profit increased the quality of its cotton production. A duty of 1s. or perhaps 6d. on American cotton would have produced an efficient and reliable demand for cotton and

cotton cultivation in India; and such demand might, and by this time ought to have produced an abundant, and superior supply in England at prices much below the lowest rates current in Liverpool this year; but seeing that the imposition of such a duty would have shamed the wisdom of our wise men, and would have let loose the ridicule of the whole world upon our transcendent statesmen and economists and their trumpeted liberal and enlightened policy, which was boasted to be a light to lighten foreign nations, and which was and is the glory of unconverted Israel,—no man among them all has been found honest enough to confess that he is wiser to day than he was yesterday.

“Another cause for retaining the enormous over-supply of manufacturing workmen at home may well have been the fear that should they find their way to advanced colonies such as Canada, Nova Scotia, and New Brunswick, or Victoria, or New South Wales in Australia—the cry for establishing manufactories in these colonies—the cry for protection to native industry there—would have become irresistible, and have overthrown the barriers raised up by importing merchants and bankers with all their newspapers; and the people would even laugh at the veto of the governors, esteeming these to be not the representatives of the Queen, but of a Government holding its position by the grace and at the mercy of Manchester and Lombard Street.

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“It used to be said that the adoption of free trade and of direct taxation would benefit England, the Colonies and foreign countries, and that all of those in Europe would, within twelve years imitate England: Not one of these countries has imitated her, and Mr. Gladstone said only last summer that an extension of direct taxation would be intolerable to flesh and blood. And as for the colonies, the following consecutive propositions, or rather axioms, form a chain of argument leading distinctly to the conclusion that not free trade but protection to native industry is the way to

\* The special attempt has been to swamp manufacturing colonies.

make the colonies prosper. Take Canada for an example:—

"1st, Canada being an agricultural country, the sure way to benefit it is to enhance the value of its agricultural products.

"2d, The only sure way of doing that is by producing an internal demand for them.

"3d, The only known way to produce such demand is by promoting manufactures.

"4th, The sure way of promoting manufactures is by making their productions safe and profitable.

"5th, The only way of making their production safe and profitable, is by exacting a highly protective tariff.

"I would also add that, by taking this plan alone, Canada may possibly prevent war with the United States, or annexation; for the smuggling of British cloths, &c., from Canada must become intolerable to American manufacturers, and so injurious to American industrial independence as to render war upon Canada a political necessity for the American people.

"Now, before concluding, that you may see how beneficially the policy of protection has worked in a really great country, I shall not enter into details upon the prodigious progress which America before the war broke out made under the protective policy—for I presume no grown-up man can be wholly ignorant on that matter, and how *the main stream of immigration from these islands has steadily been to the foreign but protected United States*, rather than to the home-governed but unprotected provinces of British America, magnificent though their natural capacities are. I shall rather give you a short extract concerning Russia from "Der Internationale Handel," that is, in English, "The Foreign Trade"—a work of the Continental Economist, Dr List. Dr List very simply explains that Russia's modern greatness took its date from her repudiation of the new school of economy:—"Soon after the war or 1815 (he says) there arose a teacher of the free-trade theory, a certain Storch (Storch being the Surname of this teacher), who

taught in Russia what Say did in France, and Dr Smith in England, viz., that balance of trade is a mere phantom, a chimera engendered in the disordered brain of the teachers of the mercantile system. Government gave the free trade system a fair trial, until the Chancellor of the Empire, Count Nesselrode, declared in an official circular, of the year 1821, "That Russia finds herself compelled by circumstances, to adopt an independent system in commerce. As the raw productions of the country find but an indifferent market abroad, the native manufacturers are becoming ruined, all the ready cash is going abroad, and the most solid mercantile houses are about to break.' In a few weeks afterwards the new protective tariff was issued, and the beneficial consequences soon manifested themselves. Capital, talent, and mechanical industry soon found their way into Russia from all parts of the world, and more especially from England and Germany. Nothing more was heard then of commercial crises caused by over-trading, the nation has grown prosperous, and the manufactures are flourishing." *What a contrast (adds Mr. Grahame) is here presented to the state of England any time these three years—Bankruptcies not only of farmers, but of banks, of manufacturers, and of merchants.*" \* \* \*

But under no circumstances can I anticipate any great disagreement of views among the parties who are to form the British American Confederacy. That they have a common interest, will very soon come to be understood. And in the meantime I have no doubt that the other sections will join it with the same determination as Canadians do, to respect the views and experience of their new friends, a sentiment well expressed in the old lines:

"Who seeks a friend must come disposed,  
T' exhibit, in full bloom disclosed,  
The graces and the beauties  
That form the character he seeks,  
For 'tis a union that bespeaks  
Reciprocated duties."

And in now closing remarks, whose object throughout has simply been to assert for the subject of the EMPLOY-

MENT OF OUR OWN PEOPLE the first place in British American politics, I would take the opportunity to state my entire concurrence with the words of Carlyle :

"This that they call organizing of labour is, if well understood, the problem of the whole future for all who pretend to govern men."

And with the still more striking words of Byles :

"To find employment for the people, is just the very thing which is so supremely difficult as to be often pronounced impossible. It is the problem remaining for the true Political Economist to resolve. Its solution will be an event not less brilliant, and far more important to mankind than the discovery of the solar system."

A little reflection will show us how true this is, for however advantageous may be a knowledge of the general laws of nature, their *operation* is in no way affected by our own knowledge or ignorance of them. In *social science*, on the contrary, *circumstances* are the facts, and the laws must be adopted by ourselves in conformity with these; for it is clear that what may be prudence in an old and rich man, or an old and rich country, may be the height of folly in a young and poor man, or in a new country. And that a sister colony has lately become alive to this is a matter of great congratulation to us all, while it is a matter for profound thankfulness to the hosts of unemployed and under-paid workmen in the United Kingdom. I allude to the Province of Victoria in Australia, which is now determined to follow the example of the United States in regard to native industry, as I recommend British America to do; so that workmen from the mother country will now emigrate thither in large numbers, sure not only of getting a fair day's wage, but of meeting their fellow countrymen and fellow subjects, with whom to reciprocate their British sympathies.

The practical patriotism of the Australians will only make them more loyal to the British Crown, and so would it be in British America were we to adopt, what may appear in Britain, selfish principles

in favor of British American Industry, and insist on importing the labourer not the labour from the mother country. We shall then have *something material* to fight for, while every British subject will have it at any moment in his power to come here and share with us, without any change of allegiance, any peculiar advantage we may have had to achieve for ourselves industrially, so as to leave our population nothing to envy in this respect in the adjoining Republic.

#### A SHORT VIEW OF THE INDUSTRIAL POLICY WHICH IS A NECESSITY.

I believe, let me repeat, that the Provinces of British America have within them the elements of independent greatness and prosperity, but that these can only be reduced from chaos by a certain most energetic policy immediately gone into, in respect to our Provincial Industry. Such a policy, I believe, would have the effect of saving to British America the advantages of the continuance of the Reciprocity Treaty with the United States, in the only way this can be done, viz :—by rendering us independent of it. Such a policy would at all events save these North American Provinces to Britain; while, without a homely and patriotic policy, the loss of them to the Empire will be more than likely, especially if the Reciprocity Treaty with the United States is withdrawn. My great object, therefore, is to impress others with my own strong convictions that IT IS VITAL THAT THE CANADIAN FARMER SHOULD IMMEDIATELY HAVE IN THE MARKETS OF THE MARITIME PROVINCES A SUBSTITUTE FOR THE MARKETS WE MAY LOSE IN THE UNITED STATES; AND THAT IT IS EQUALLY VITAL THAT THE MARITIME PROVINCES SHOULD IMMEDIATELY HAVE IN THE CANADAS A SUBSTITUTE FOR THE TRADE THEY ARE NOW CARRYING ON WITH THE UNITED STATES, UNDER THE RECIPROCITY TREATY.

The British American Confederation must be a large and gradually increasing field in America, under British Institutions, in which the greatest and best paid employment may be depended upon by those of Her Majesty's subjects who inhabit it. Like all other northern

countries in America our produce is largely not exportable; we, therefore cannot turn it into money abroad with which to pay for British home labor; so that the only course left to us is to invite any British labourers who have a difficulty of living at home to come out to us, seeing that, though we have not money abroad to pay them for their labour, we have plenty of food and clothing for them here and other advantages, such as advancement for their families, possessed by very few working men in Britain.

What we want of Britain is, that she shall in no way restrict our Responsible Government, but allow Public Opinion within this British American field of labour to dictate *the policy within its boundaries* which our peculiar circumstances render necessary; it being abso-

lutely necessary to the retention of this country to England, that its inhabitants have as much freedom of action in regard to its industrial interests as the people have in the adjoining States—and that in a word, our population here shall have nothing to envy in the material circumstances of this neighboring people any more than we have in their Political Institutions.

"O Statesmen, guard us, guard the eye, the soul  
Of Europe, keep our noble England whole,  
And save the one true seed of freedom sown  
Betwixt a people and their ancient throne,—  
That sober freedom out of which there springs  
Our loyal passion for our temperate kings;  
For, saving that, ye help to save mankind

Till public wrong be crumbled into dust,  
And drill the raw world for the march of mind,  
Till crowds at length be sane, and crowns  
be just."

Yours faithfully,  
ISAAC BUCHANAN.

### Quotations Illustrative of the Practical Object for which Mr. Buchanan has so long laboured.

#### AN INDEPENDENT INDUSTRIAL POLICY WANTED FOR BRITISH AMERICA.

(From Mr. Buchanan's Speech at the Dinner  
given to the Opposition, at Toronto, on 17th  
December, 1863.)

All our great interests seemed now to be in nightmare, the Government sitting on the chest of our industrial prosperity! [Laughter.] He had already alluded to the proposed invasion by Mr. Holtorf of our manufacturing interest, which was fast becoming entitled to the name of a great interest, so much so, indeed, that at this moment the manufacturing political influence in Montreal and other large places is more than the commercial. [Hear, hear.] And one Minister, at least, Mr. Howland, (for whom he had a great respect) was aware of the fact that one result of our patriotic legislation since 1858, when Parliament sat in Toronto, was the existence in Canada of over a thousand tanneries. [Hear, hear.] The manufacture of paper, of wool, of wooden ware and agricultural implements has equally increased. [Hear, hear.] By manufacturing the articles mentioned we save the necessity

of sending out of the Province at least two millions of dollars in cash per annum, and a few years hence the money required to be sent abroad for these great articles of necessity, not to talk of the innumerable other articles now being manufactured in the Province, would have been double that amount. [Hear, hear.] By manufacturing these articles we not only cause an immensely increased employment for such of our own population as are not fit for other sorts of labor, but we retain in the Province the money for the use of farming and other interests, thus not only increasing our supply of capital in the Province, but reducing the rate of interest at which it can be borrowed. (Cheers.) Free-traders will say, you pay more for the articles you manufacture than if you imported them. Now I deny that this has been our experience. Every article, I believe without exception, that we now manufacture is furnished to the people at a lower price than it was sold for before 1858. But even supposing that we did pay a higher price by the amount of the customs duty, this would not be injuring the people. It would only be making

them pay the tax indirectly, instead of directly. It is obvious that the GREAT FACT OF OUR BEING IN DEBT compels us to collect the money either in one way or the other.

The only policy for northern countries in America is to limit their purchases of foreign labour to the greatest extent, for neither the Northern States nor Canada can produce exports to pay for even the very smallest imports, which the natural "go-a-headitiveness" of our people makes possible. Even with the greatest contraction of imports, therefore, these would be miserable countries, except for the money which comes adventitiously into the country in the pockets of immigrants and for investment. [Hear, hear.] To the extent, however, that our imports are over our exports we pay for the balance with the Province's life blood, for although there may not be an open removal of the specie on which all bank circulation and monetary confidence is built, there is the loss of its equivalent. But for being required to pay for profligate importations the money got through immigration and otherwise, would be an increase of the country's life blood—an extension of the basis on which the pyramid of our Provincial prosperity reposes. [Hear, hear.] True practical and patriotic reform, (such as we had before the *Globe* came to Canada) is, in a progressive state of society such as we have in America, the truest conservatism. We must be economical not only in applying the people's money for their own benefit, but in securing for our own people all the employment we can, in making the articles we require, seeing that when the manufacturers live in a foreign country they are not consuming the productions of the Canadian farms. No country can be great without having rotation of crops, and no country can have this without having a manufacturing population to eat the produce which is not exportable. [Cheers.] And so glaringly untrue is the industriously circulated notion that such policy would be injurious to the agricultural class, that my whole object in insisting on limiting the Province's imports of manufactures, and raising up factories alongside our

farms, is to benefit the Canadian farmer and through him all other classes, knowing full well, as I do, that it is the only solid and permanent foundation for the prosperity of the country. [Continued cheering.] I was long ago warned, by witnessing the sad fate of Lower Canada, whose soil has been exhausted by over-cropping with wheat. Lower Canada blindly followed the interested or ignorant advice of the British Political Economists, and confined herself to growing wheat for export, little dreaming how large a percentage each year it took to represent the deterioration of the soil under such treatment of it. And what I wish for Upper Canada is a system of rotation of crops, to render which possible it is essential for us to have an oppidanic or manufacturing population to eat the vegetables and other perishable or bulky productions of the Canadian farmer. [Hear, hear.] I may here also mention, that which has long been evident to me, that if PRODUCTION and agricultural improvement are to get justice in Canada, we must originate a system of large, reliable, NON-ISSUING INSTITUTIONS, which we might call AGRICULTURAL BANKS, from which our farmers could get an advance to the extent of one-third, or so, of the value of their real estate—which advance they might pay up at any time, but would not be bound to pay up till the end of a certain period say thirty years—the borrower making an annual payment to cover interest of money, a sinking fund to provide for payment of the principal in thirty years and a life insurance premium to secure his property being free from debt in case of his death before the loan is paid off. [Cheers.] Such is the Provincial policy which for thirty years I have seen to be the best for Canada, and the views which I have now expressed are those which I expect to continue to hold to the end. I think that I have shown that the profligate, as over importing policy of the Ministry directly injures the Credit, as well as the whole Trade and Manufacturing and Mechanical interests of Canada, and indirectly through these, the great or Agricultural interest. [Continued cheering.]



AN AMERICAN ZOLLVEREIN THE INTEREST  
OF THE EMPIRE.

(From the same speech of Mr. Buchanan.)

And this Reciprocity Treaty can only eventually be secured and rendered permanent, by the British Government adopting a Policy which would look without jealousy on the decentralization of the manufacturing power of the Empire, and be an incalculable benefit to the working classes in England, Ireland, and Scotland. To preserve the Empire, Britain has to yield the selfish principle of *centralizing*, which has ruined Ireland and India, so far as such countries could be ruined, and cost us the old American colonies. (Hear, hear.) The principle of decentralizing the manufactures of the Empire is a principle which would secure for the Empire an enormous additional trade and influence. Through the instrumentality of some one or other of her dependencies (which might be called England in America—England in Australia—England in India, &c., &c.,) she could secure free trade for all her mechanics who choose to go to these favored localities, with countries that could never agree to free trade direct with England, without giving a death blow to their comparatively comfortable population. For instance, England could never get free trade with the United States in manufactured goods, but no doubt the United States would be prepared to extend the Reciprocity Treaty with Canada, thus throwing down all interior Custom Houses between Canada and the United States, which done, the Englishman, by coming to Canada, and manufacturing his goods at our endless water powers will be able to save the 25 per cent. charged on the same goods going direct from England to the United States, and hundreds of mill-owners now in uneasy circumstances in England, would, under such an arrangement, immediately transfer to Canada their Machinery and hands to the infinite benefit of the population thus removed, and to the aggrandizement of the empire. (Cheers.) And this is the main thing wanted by the Canadian farmer, *permanently*, as giving him a mar-

ket on the spot for his roots and spring crops, thus rendering rotation of crops possible, while it would give him also that which is so valuable to him in the present (until he gets his rotation of crops established,) the superior market for his white wheat furnished in the United States by the Reciprocity Treaty, (Hear, Hear.) To the United States, and more especially to the Western States, as making the St. Lawrence the great highway of America, free trade and navigation with Canada would give great development, would give, in a word, all the commercial advantages of annexation. (Hear, hear.) The natural policy of Canada is seen clearly therefore to be the establishment of an American Zollverein, such as exists among the German States. Under this the United States and Canada would neither of them levy any customs taxes on their frontiers but only at the seaports from Labrador to Mexico—the same duties being levied, and each country getting its share in the proportion of its population. Let it be therefore resolved, that for our commercial system, the principle should be adopted by Canada of an American Zollverein, or in other words, free trade with America, but not with Europe. Why should England be jealous or oppose this? Is not Canada just England in America? If Canadians get an advantage, they wish no monopoly of it. Every old countryman is welcome to come and share it. (Much cheering.) And this will be a very fair compromise between the views of the two classes of friends of the Canadian farmer, one of which holds that our farmer is to be most benefited by general free trade and direct taxation, and the other by keeping our money in the country through the restriction of importations and indirect taxation. The Reciprocity Treaty is a temporary relief to us: but it may be only a temporary one; and as the security of our remaining British, it is imperative that we should have an ever increasing home market, through the enlargement of our cities and towns; so as to be more and more independent of the markets of the United States. (Long continued cheering.)

**THE NECESSITY OF AN AMERICAN ZOLVEREIN BECOMING APPARENT FOR THE SAFETY OF THE HOME OR BRITISH POPULATION.**

**WHAT IS TO BE DONE FOR THE WORKING CLASSES?**

[From the *Annals Observer* of 4th February, 1864.]

Parliament meets to-day, and great things may depend on its first proceeding. A change of Ministry is not an improbable event. The firmness of the Premier and the position of Denmark render it indeed highly probable. Who are to succeed the present men? Lord Derby and Mr. Disraeli? Great and deserved as their fame is in wars of words, are they the men for the present emergency. Have they a policy—a policy that will at once commend itself to the masses of half-starved working men in the manufacturing districts, now far advanced in their second, and many in their third year of pauperism and parish relief, with prospects of worse coming? Have they a policy to benefit even the agricultural laborers, and keep them from flooding out of England and Scotland as they are doing out of Ireland? If they have, let them declare it; if they have not let them stand aside. In that case they can do good neither to the indoor workers or the outdoor workers, nor to the country at large. They may consider themselves bound in honor, by pledges given more than six years since, to abstain from following their better judgment. If so, let their conscientious scruples be respected; but let them make way for men not unhappily pledged as they are. Surely if such men are rightly sought for they will be found.

Old Toryism is palsied—hopelessly so. Whigism is much the same—hopelessly so. Radicalism waits only the capture of the Dannewerke, and the apotheosis from Downing street of Lord Palmerston to bring forth “reforms” in litter—base whelps of Birmingham, Rochdale, or Manchester kennels—abolition of primogeniture, abolition of entails, abolition of the law of hypothec, abolition first of church rates, then of church. As for peerage and royalty, such as they are, treat them according

to circumstances—the one may be made as harmless as the other. Before all other yells, however, let there be a great extension of the franchise, if that be thought compatible with the supremacy of the powers that really be, and rule those that only seem to be; otherwise a smaller extension of the franchise; but in either case an extension specially directed against present landed interests—an extension professedly liberating the people, but in reality binding them with tighter and more subtle chains.

Reform, extension of the franchise, &c., &c., captivating phrases, but impotent to procure the big loaf which Free Trade promised to get, but failed in getting. Yet they will be listened to again, if real benefits are not offered to the people in their stead.

Thanks to Free Trade, old Toryism, or even old Conservatism, is now impossible. True Conservatism must outbid Radicalism—must offer to honest industry palpable benefits instead of plausible but lying promises.

What has true Conservatism statesmanship got to offer to the workmen who are willing to work? One thing—which is worth ten times all the nostrums that Radicalism ever has offered or can offer, were they all realized and made the law of the land—viz., the opening of the British colonies as fields of all kinds of honest industry. And that is the sole policy by which the workmen, agricultural and manufacturing, can be peaceably elevated from their notoriously downtrodden state. Radical statesmen won't offer that. They can't. It goes against their Confession of Faith in what has been called “the gospel of enlightened selfishness.” It would make what they call their hands really free, which is the very last thing they would like to see. Ay, but will it not make the Agricultural workman really free to? And how will the landlords and farmers like that? It will make these workmen free too, and some—let us hope not all, or even a majority—of the landlords and farmers may think such liberty excessive, and quietly argue that it is not desirable for the sake of the working

people themselves;—as the masters, manufacturers, and the merchants, and the bankers, and the moneyed men, or the bulk of them, together with all their organs of the press, will loudly and fiercely argue that it would ruin the poor operatives, whom they have pitied so much and praised so much for their noble patience, and consoled so much with the hopes of the good times coming. Coming!—these have been coming any time these two years—and yet are they not as far off as they seemed two years ago?—nay, farther, for is it not now nothing but Surat! Surat! Surat!—nothing but the detested Surat!—and not enough of that for the operatives to work at and prevent sinking themselves deeper in debt?

BUT IS NOT THE FIELD OF THE BRITISH COLONIES REALLY OPEN BOTH TO MANUFACTURING AND AGRICULTURAL WORKMEN? If not, where is the obstacle? The obstacle has always had a fine name; formerly it was called protection, now it is called Free Trade; but under the former name it was, and under the present name it is a stringent monopoly, to extend and entail the divorcement of manufactures from agriculture in the colonies, and to render more sure and expeditious the transference of land in Britain from the territorial classes to the monied and manufacturing millionaires, that the permanent and universal peace-insuring and the big-loaf-procuring policy of Free Trade was invented, to bring upon the operatives and the people at large the strong delusion in which they believe, and under which they, in two senses, lie.

*In conclusion for the present, Conservatism in England, to succeed to place and hold it, needs to encourage Conservatism in the Colonies,—needs to encourage the marriage of agriculture with manufactures there—which can be done only in one way—the way by which alone such marriage has anywhere been consummated—viz., by protection to manufactures—colonial protection. And that, to be effective, must be large.*

## MR. COBDEN'S DENUNCIATION OF DEPENDANCE ON WHEAT-GROWING.

(From his speech at an Agricultural Dinner in East Lothian.)

“What is it that constitutes the prosperity of agricultural or any other pursuit? It is to have a flourishing, rich, and increasing number of customers. Without that no business can prosper. You, agriculturists, above all things, want a constantly increasing wealth in your customers—the manufacturing, mining, and industrial population of this country. Above all things, you want a prosperous community who can purchase your cattle and your stock, because I need not tell you who are so advanced in the science of agriculture, that that which lies at the very foundation of all scientific agriculture is the large and constantly increasing production of the manure-producing animals, the cattle and sheep, which you raise on your land. But you cannot find customers for that stock which is so necessary to advance agriculture, unless you have a thriving manufacturing, mining, and industrial population. You cannot send these articles abroad. I can understand you might grow some commodities, such as hops and other articles, that you might send abroad, but the cattle and sheep—the animal life that you rear on your farm—must be sold to your near neighbours, the manufacturing, mining, and industrial population. You have had a constantly increasing development of wealth, a constantly increasing export of your manufactures, and a constantly increasing demand for your cattle, your sheep, and your wool. These have been the foundations of your prosperity. I have always thought that both the land-owners and farmers took a very unworthy and ignoble view of their own interest, when they measured the value of the land only by the price at which they could sell their wheat. *Wheat, gentlemen, is a barbarous estimate—a barbarous measure of the value of land. Wheat was the sole dependence of your grandfathers, when living here as one quarter of the rent you now pay, and not enjoying half the prosperity you now enjoy, with your fivefold rent.*”

Surely the agriculturists of East Lothian would not regard the emancipation of their colonial brethren from a barbarous system of agriculture? Surely they would rejoice at the colonial farmers, like themselves, getting four-fold returns? And the obvious way to turn Mr. Cobden's remarks to good account is just that which Mr. Buchanan has always insisted on—viz: by the emigration of the distressed operatives of the mother country to the colonies, and by encouraging the colonial agriculturists to take such action as is needful to render the employment of the operators among them safe to both the producers on the farm, and the producers in the factory, thus brought to their own door.

#### MR. BUCHANAN'S DENUNCIATION OF DEPENDANCE ON WHEAT-GROWING.

(From his speech at the Toronto Dinner to the Opposition, on 17th December, 1863.)

"We must be economical not only in applying the people's money for their own benefit, but securing for our own people all the employment we can, in making the articles we require, seeing that when the manufacturers live in a foreign country they are not consuming the productions of the Canadian farmer. No country can be great without having rotation of crops, and no country can have this without having a manufacturing population to eat the produce which is not exportable. [Cheers.] And so glaringly untrue is the industriously circulated notion that such policy would be injurious to the agricultural class, that my whole object in insisting on limiting the Province's imports of manufactures, and raising up factories alongside our farms, is to benefit the Canadian farmer, and through him all other classes, knowing full well, as I do, that it is the only solid and permanent foundation for the prosperity of the country. I was long ago warned, by witnessing the sad fate of Lower Canada, whose soil had been exhausted by over-cropping with wheat. Lower Canada blindly followed the interested or ignorant advice of the British

Political Economists, and confined herself to growing wheat for export, little dreaming how large a percentage each year it took to represent the deterioration of the soil under such treatment of it. And what I wish for Upper Canada is a system of rotation of crops, to render which possible it is essential for us to have an oppidanid or manufacturing population to eat the vegetables and other perishable or bulky productions of the Canadian farmer. \* \* \* \* \*

"But it is well for Canada that she can afford to throw theories to the winds, having a certain and unfailing barometer of her great interests. In her farmers. Canada has a great class, the prosperity of which secures the prosperity of all other classes; so that the *true economical policy of Canada is to promote the prosperity of the Canadian farmer*. And how this is to be done is the simply political question of the Canadian patriot. [Cheers.] Yet—to the shame of British statesmen be it said—a question so momentous to Canada was known to have no consideration in England, when she, in 1846, diametrically altered her policy and repealed all the old distinctions between Canadian and American produce in her markets. The direct and immediate effect of this precipitate introduction of free imports (for it is not Free Trade) into the mother country was most disastrous to Canada, and was more likely to prove subversive of her loyalty than any thing that could have been anticipated; for it left the Canadian farmer (on the north bank of the St. Lawrence) only the English market for his produce in which he has to compete (after paying all freights and expenses across the Atlantic,) with wheat of countries where labour and money are not worth one-third what those are in Canada, while it gave to the American farmer (on the south bank of the St. Lawrence) this English market of which to avail himself, whenever it suited him, in addition to the American market.

"Happily the British Government saw in time the error committed in bringing about a state of things in which it would have been impossible to retain, upon British principles, the Canadian—British prin-

ciples always involving the idea that the object of Britain in acquiring or retaining territory, is to bless not to blight it. And Lord Elgin bribed the Americans by sharing with them our Fishery and Navigation rights, to give us the Reciprocity Treaty, which, while it exists, removes the Canadian farmer's cause of complaint, [Hear, hear.] Now, therefore the preservation of this Reciprocity with the United States is shewn to be only the interest of the farmers, and through them of all others in Canada, but also of the British Government, as without it Canadians are left in a position, unless Intercolonial or other industrial arrangements are secured for them, to be much benefited industrially by Canada being annexed to the United States. I speak plainly, viewing him the most loyal man who speaks most plainly at such a crisis. [Applause.]

**MR. JOHN W. GAMBLE'S DENUNCIATION OF DEPENDANCE ON WHEAT-GROWING.**

(Being a criticism by him when member of the Canadian Parliament, at the Free Trade Era, of an article in *London Economist*.)

"The article alluded to asserts that farmers and millers in Canada favourable to annexation, adopt that plan from an opinion of its necessity, and as a countervailing benefit, contingent upon our colonial condition, points to the protection on Canadian timber in the British market.\* The *Montreal Herald*, to add strength to the annexation cause, successfully shows the superiority of the United States as a market for that staple, thus rendering valueless the only commercial advantage remaining to us as a colony, and leaving the argument of necessity, as stated by a subordinate minister of the Crown, to exert its full force in favour of annexation. \* \* \*

"I hold that to insure continuous prosperity to Canada, consumer and producer must be brought still nearer—placed side by side—and that the mode to accomplish this, and to aid the farmer in inducing the mechanic to take his place beside him, is a high protective tariff on all those articles for the manufacture of which we possess natural ad-

vantages. The editor of the *Economist*, this subordinate minister of the Crown, the great free trade advocate of England, admits, as his deliberate conviction, that the only relief, the only refuge for the depressed agricultural and milling interests of Canada, is to be sought and found—where? Why in the markets caused by the "protected corporations of New England." Here it is:—

"I repeat the remedy pointed out by the *Economist* as the only source of relief, annexation excepted, for the agricultural and milling interests of Canada is to be found in the markets caused by the protected corporations of New England. Wherein, then, do we differ? Protection, as a system, is equally the beneficial cause of the remedy, whether that remedy be attained by annexation, or by the more subtle mode, of the free ingress into the United States of our natural products, promised us by the *Economist* by treaty of Reciprocity. \* \* \* The difference is just this: I say, and common sense says, and the facts and reasoning of the *Economist* say, adopt yourselves the policy of the Union, and your protected corporations will soon furnish you with a market of your own, for your agricultural products at home.

"The *Economist* says, free trade with the Union in raw produce makes their high prices yours, but, true to England's interest, neglects to add, then will we gather those high prices into our own bosom, in exchange for the rags and devil's dust of Manchester and Leeds. No, no, Mr. *Economist*, England must consult the interest of her people abroad equally with those at home—they are no longer to be gulled with such words as "British subjects" and "integral parts of the empire." They have the shadow—they want the substance; she must consult their interests, or they will consult them for themselves. Annexation is far preferable industrially to your "Free Trade in Raw Products," unaccompanied by protection to home industry: and I submit whether the question of protection is not virtually conceded by this Free Trader.

\* This Timber protection also has gone since.











